File Microcopies of Records in the National Archives: No. 133

Roll 77

DESPATCHES FROM UNITED STATES MINISTERS TO JAPAN

Volume 77

September 1, 1902 - November 30, 1903

THE NATIONAL ARCHIVES

Washington: 1949

INTRODUCTION

The 83 volumes reproduced in this microcopy contain communications, with related enclosures, that were received by the Secretary of State from diplomatic representatives of the United States accredited to Japan in the period 1855-1906. The series, which may be referred to as "Diplomatic Despatches, Japan," is part of a larger body of records in the National Archives designated as Record Group 59, General Records of the Department of State. The documents have been reproduced in the order, for the most part chronological, in which they appear in the volumes. Their contents are registered on Roll 1.

The volumes, each of which has been microcopied on a separate roll (except volumes 81 and 81 Annex which have been placed on one roll), are distributed as follows:

Roll	Volume	Inclusive Dates
1	1	March 17, 1855 - June 29, 1858
2	2	July 1, 1858 - December 31, 1859
3	3	January 2, 1860 - May 6, 1862
4	4	February 7, 1862 - December 31, 1863
5	5	January 4, 1864 - December 31, 1864
6	6	January 2, 1865 - December 31, 1865
7	7	January 3, 1866 - December 31, 1866
8	8	January 2, 1867 - December 31, 1867
9	9	January 2, 1868 - April 8, 1868
10	10	April 10, 1868 - August 26, 1868
11	11	September 1, 1868 - April 1, 1869
12	12	April 1, 1869 - March 10, 1870
13	13	June 25, 1869 - April 21, 1870
14	14	May 2, 1870 - September 20, 1870
15	15	September 20, 1870
16	16	September 22, 1870 - December 31, 1870
17	17	January 1, 1871 - April 26, 1871
18	18	April 28, 1871 - August 21, 1871
19	19	August 27, 1871 - December 22, 1871
20	20	December 23, 1871 - September 27, 1872
21	21	September 29, 1872 - January 12, 1873
22	22	January 18, 1873 - April 12, 1873
23	23	April 16, 1873 - May 26, 1873
24	24	May 27, 1873 - July 5, 1873
25	25	July 6, 1873 - September 2, 1873
26	26	September 13, 1873 - December 18, 1873

Roll	Volume	Inclusive Dates
27	27	December 19, 1873 - March 20, 1874
28	28	March 21, 1874 - October 8, 1874
29	29	October 9, 1874 - March 20, 1875
30	30	March 23, 1875 - October 5, 1875
31	31	October 6, 1875 - February 5, 1876
32	32	February 8, 1876 - August 22, 1876
33	33	September 4, 1876 - March 6, 1877
34	34	March 7, 1877 - September 19, 1877
35	35	September 24, 1877 - December 31, 1877
36	36	January 4, 1878 - April 17, 1878
37	37	April 18, 1878 - July 23, 1878
38	38	July 24, 1878 - December 27, 1878
39	39	January 4, 1879 - July 23, 1879
40	40	July 24, 1879 - October 29, 1879
41	41	November 6, 1879 - March 24, 1880
42	42	April 9, 1880 - July 26, 1880
43	43	August 3, 1880 - January 22, 1881
44	44	February 1, 1881 - June 30, 1881
45	45	July 4, 1881 - November 23, 1881
46	46	December 3, 1881 - May 23, 1882
47	47	May 30, 1882 - November 30, 1882
48	48	December 4, 1882 - July 31, 1883
49	49	August 3, 1883 - December 31, 1883
50	50	January 7, 1884 - June 30, 1884
51	51	July 1, 1884 - December 29, 1884
52	52	January 2, 1885 - July 30, 1885
53	53	August 1, 1885 - December 31, 1885
54	54	January 6, 1886 - July 9, 1886
55	55	July 10, 1886 - December 29, 1886
56	56	January 1, 1887 - May 23, 1887
57	57	June 1, 1887 - December 31, 1887
58	58	January 6, 1888 - October 26, 1888
59	59	November 5, 1888 - July 31, 1889
60	60	August 1, 1889 - January 31, 1890
61	61	February 5, 1890 - June 23, 1890
62	62	July 7, 1890 - December 24, 1890
63	63	January 8, 1891 - December 28, 1891
64	64	January 5, 1892 - December 28, 1892
65	65	January 4, 1893 - August 28, 1893
66	66	September 2, 1893 - June 30, 1894
67	67	July 3, 1894 - November 29, 1894
68	68	December 7, 1894 - July 31, 1895
69	69	August 9, 1895 - September 22, 1896
70	70	October 1, 1896 - November 30, 1897
71	71	December 6, 1897 - August 29, 1898
72	72	September 3, 1898 - July 29, 1899
73	73	August 3, 1899 - June 30, 1900
74	74	July 1, 1900 - January 31, 1901
75	75	February 5, 1901 - December 31, 1901

Roll	Volume	Inclusive Dates
76	76	January 3, 1902 - August 30, 1902
77	77	September 1, 1902 - November 30, 1903
78	78	December 1, 1903 - June 30, 1904
79	79	July 1, 1904 - February 25, 1905
80	80	March 4, 1905 - August 31, 1905
81	81	September 5, 1905 - February 28, 1906
	81 Annex	November 24, 1905
82	82	March 1, 1906 - August 9, 1906

Most of the communications are original despatches, usually accompanied by enclosures. Some of the enclosures are original notes to the American representatives from officials of the Japanese foreign ministry. Other enclosures were written by American consuls in Japan and, occasionally, by private citizens of the United States. A considerable number of enclosures are copies of communications sent by American representatives to Japanese officials. Pamphlets, newspaper clippings, and other printed matter are sometimes enclosed.

Apart from numbered despatches and enclosures, these volumes contain many unnumbered letters, some of which are marked "Private" or "Confidential." Unnumbered or private letters, more informal than despatches, may report official matters requiring secrecy or not fully covered in the despatches, or may convey personal news, acknowledgments of appointment or recall, announcements of arrival or departure, and statements of official expenses. The volumes also contain telegrams and cables, which were not numbered.

The register to these despatches reproduced on Roll 1 of this microcopy consists of selected pages from a number of State Department registers, which, taken as a unit, comprise a register of these despatches from 1855 to 1906. These register volumes, in their entirety, record diplomatic despatches received by the Department of State from American legations throughout the world from 1789 to 1906. For the period beginning in 1870 the communications reproduced in this microcopy are registered, with those from representatives in other countries, in volumes that have been reproduced as the first 10 rolls of File Microcopy 17, State Department Registers of Correspondence.

In Record Group 59, General Records of the Department of State, in the National Archives there are several series of volumes containing additional material on the relations between Japan and the United States. Complementary to the diplomatic despatches are instructions from the Secretary of State to the diplomatic representatives of the United States accredited to Japan, 1855-1906, which have been reproduced on Rolls 104-108 of File Microcopy 77, Diplomatic Instructions of the Department of State. Additional records pertaining to the relations between the United States and Japan during the period covered by the present microcopy include the

communications ("Notes") exchanged between the Secretary of State and the diplomatic representatives of Japan in Washington. Related to these records, though less directly, are despatches to the Department of State from United States consuls at Nagasaki, 1860-1906 (File Microcopy 131), Kanagawa, 1861-1897 (File Microcopy 135), Yokohama, 1897-1906 (File Microcopy 136), and at Osaka, Hiogo, and Kobe, 1868-1906. All these series were discontinued on August 14, 1906, when the Department of State adopted the practice of filing incoming and outgoing correspondence, not of a routine nature, by subject in a single numerical case file. Correspondence on routine matters was placed in a "minor file." In 1910 this system was abandoned and the Department's present decimal system of subject classification adopted. The numerical case file, the "minor file," and the decimal file are in the National Archives through 1929.

Also in the National Archives, in Record Group 84, Records of the Foreign Service Posts of the Department of State, there are records kept by American diplomatic and consular posts. Although these post records duplicate to some extent the records that were kept in Washington, they supplement them importantly by providing detailed information about many transactions that were only summarized or were not reported on at all in the documents that were transmitted to Washington. File microcopies of these post records have not been made.

In this microcopy the ends of lines next to the binding have not always been reproduced by the camera; a reading of any lines thus affected will be provided upon request by the National Archives.

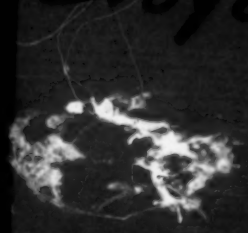
ROLL CONTENTS

The volume microcopied on this roll has the following backstrip title: "77 / Japan / Alfred E. Buck / Lloyd C. Griscom / September 1, 1902, / November 30, 1903. / 683 - 738, 1 - 26 / Department / of State." It contains communications, with related enclosures, to the Secretary of State from the following representatives of the United States accredited to the Government of Japan: Alfred E. Buck, Envoy Extraordinary and Minister Plenipotentiary accredited April 13, 1897; John M. Ferguson and Huntington Wilson, Chargés d'Affaires ad interim; and Lloyd C. Griscom, Envoy Extraordinary and Minister Plenipotentiary accredited December 16, 1902.

77

JAPAN

Alfred E. Bucks.
Lloyd C. Griscom.



Sept. 1. 1902: Dec. 31. 1902.

683 - 733

1

UNITED STATES LEGATION.
TOKIO.

No. 183. September 1, 1902.

DIPLOMATIC
SEP 24 1902
BUREAU.

INDEX BUREAU
RECD
SEP
1902
DEPT

Ack. & compliment
Adm. Sept 26
L. M. H.

RECEIVED.
SEP
29
1902
BUR. ACCOUNTS DEP. OF STATE.

Mr. Wilson,

to the Secretary of State.

Subject:

Colonel Buck takes leave.

MAILED

UNITED STATES LEGATION.
TOKIO.

No. 683. September 1, 1902.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to inform you that Colonel Buck left Tokio this morning, availing himself of the leave of absence granted him by the telegraphic instruction of June 24th, and sailed on the flagship "New York" for the cruise mentioned in his dispatch of the 30th ultimo.

I have accordingly taken up my duties as Chargé d'Affaires.

I have the honor to be,

Sir,

Your obedient servant,

Huntington Wilson.

DIPLOMATIC
SEP 24 1902
BUREAU.

UNITED STATES LEGATION.
TOKIO.

No. 684. September 1, 1902.

RECEIVED.
SEP 29 1902
BUR. ACCOUNTS DEP. OF STATE.

INDEX BUREAU
RECEIVED
SEP
1902

Ack. Sept 26.
J. M. H.

Mr. Wilson,

to the Secretary of State.

Subject:

Mr. Ferguson goes on leave.

UNITED STATES LEGATION.
TOKIO.

No. 684. September 1, 1902.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to inform you that Mr. J. M. Ferguson, second secretary of this legation, started to-day upon the leave of absence granted by the Department's telegram of the 27th ultimo.

Mr. Ferguson accompanies the Minister on board the flagship "New York".

I have the honor to be,

Sir,

Your obedient servant,

Huntington Wilson.

UNITED STATES LEGATION.
TOKIO.

No. 5.

DIPLOMATIC
OCT 14 1902
BUREAU

September 18, 1902.

INDEX BUREAU
REC'D.
OCT
13
1902
DEPT. OF STATE

Inform management [illegible]
To Irvin Beach
Oct. 14

Mr. Huntington Wilson

to the Secretary of State.

Subject:

International Mining Congress.

UNITED STATES LEGATION.
TOKIO.

No. 5. September 18, 1902.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

With reference to the invitation to the Japanese Government to be represented by delegates at the Fifth Session of the International Mining Congress held at Butte, Montana, from the 1st to the 5th instant, which was duly transmitted upon the receipt of your instruction of July 9th, I have the honor to communicate from the Minister for Foreign Affairs the regrets of the interested departments of this Government that they could not send delegates, since the session was so close at hand as to render impossible the necessary preparations.

I have the honor to be,

Sir,

Your obedient servant,

Huntington Wilson.

DIPLOMATIC BUREAU

Forward the inclosure to Mr. Thomas Field- Dear Sir Did so, Oct 15 1902 16 C

UNITED STATES LEGATION.
TOKIO.

DEP'T OF STATE
OCT
13
1902
2ND ASS'T SECRETARY

No. 5.

September 19, 1902.

INDEX BUREAU
REC'D.
OCT
13
1902
DEPT. OF STATE

DIPLOMATIC
OCT 14 1902
BUREAU.

Mr. Huntington Wilson

to the Secretary of State.

INDEX BUREAU
DEC 16 1902
FILED

Subject:

Inquiry about guano exploitation on Marcus Island.

UNITED STATES LEGATION.
TOKIO.

No. 5. September 19, 1902.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to enclose herewith copy of a letter referred to this legation by the Consul-General at Yokohama, in which the representative of a company at Honolulu makes inquiries with a view to arranging for the exploitation of guano on Marcus Island.

Under the circumstances, I have the honor to transmit my reply herewith, subject to the wishes of the Department. A copy thereof is likewise enclosed.

I have the honor to be,

Sir,

Your obedient servant,

Huntington Wilson.

Inclosures:

No. 1. Mr. Fitch to the Consul-General, July 31,--copy.

No.2. Mr. Huntington Wilson to Mr. Fitch, September 19.

No.3. Copy of the above.

Enclosure No. 2 with Mr. Wilson's dispatch of September 19, 1902.

September 19, 1902.

Thomas Fitch, Esq.,

P. O. Box No. 626,

Honolulu.

Sir:

Referring to your letter of July 31st relating to Marcus Island, which, as you were informed, was referred by the U. S. Consul-General at Yokohama to this Legation, I beg to say in reply to the first two questions that:

(1) Under Japanese law individual foreigners, or foreign companies as such, cannot own lands within the Japanese Empire.

(2) Japanese juridical persons, that is, companies organized under Japanese law, including foreign companies' branches if so organized, although they may be composed exclusively of foreigners, may own lands.

(3) In all matters of leasing and using lands, excepting those of ownership in fee simple and of the working of mines, the same laws apply alike to foreigners and to Japanese subjects.

It would be necessary to proceed, therefor, according to such of the Japanese laws as might govern the particular kind of arrangement you might seek to make.

The Tokio Fu (Tokio Local Government), who administer the Bonin Islands, Hachioji Island, etc., granted a usufruct of Marcus Island, which the Japanese call Minami Torijima, for ten years from September 21st, 1896, rent free, to a Mr. Mizutani Shinroku, of No. 16, Itchome, Tsukiji, Tokio. Mr. Mizutani's agent is Mr. Shigenoi Seijiro

of

Enclosure No 1 with Mr Wilson's dispatch of September 19, 1902.

(COPY)

Thomas Fitch,
601 Stangewald Building.

Honolulu, T. H., July 31, 1902.

U. S. Consul,
Yokohama, Japan.

Dear Sir:

Will you kindly make inquiry for me in the proper quarters and ascertain:-

(1) Is there any general law or regulation by which foreigners can obtain title to or the right to occupy by lease or otherwise lands in Japan belonging to the Government, and if so what is its substance.

(2) Is there any general law or regulation by which Japanese subjects, or companies formed in Japan can obtain such lands, and if so its substance.

The object of this inquiry is to ascertain whether (in the event of Marcus Island being found or conceded to be a Japanese Island) the right to work the guano deposits there can be obtained from Japan and on what terms.

The Company I represent (Marcus Island Guano Company) has conditional contracts by which it can market 30,000 tons per annum of high grade rock phosphates. It has the machinery, the experience and capital, and is ready for immediate action. It finds its movements checked by the claim put forth by the Japanese Government to Marcus Island, which island it has been hitherto supposed was the property of the United States, which gave to the Company in February last a license to work the deposits.

The Company does not desire to be tied up in the meshes of diplomacy, nor to be the bone that may furnish material for international complications. It is after guano,

not

not glory, and if the Japanese Government will give it, or a Japanese Company to which it may transfer its rights, permission to work the guano deposits on Marcus Island for a royalty such as is paid to Great Britain for instance by owners of British guano islands, it will be glad to accept such a franchise and - with the permission of the State Department - thus settle all controversy.

An early reply will oblige,

Yours truly,

Signed: Thomas Fitch.

of No. 13 Toyoshima-cho, Kanda-ku, Tokio.

Respectfully yours,

(Signed) Huntington Wilson,

U. S. A. Chargé d'Affaires.

DIPLOMATIC
UNITED STATES LEGATION.
TOKIO.
OCT 20 1902
BUREAU

FOR RELS. 1902.

No. 685.

September 27, 1902.

INDEX BUREAU
RECD.
OCT
DEPARTMENT OF STATE

Mr. Huntington Wilson

to the Secretary of State.

INDEX BUREAU
FEB 25 1903
FILED

Subject:

House Tax Arbitration Protocol.

UNITED STATES LEGATION.
TOKIO.

685. September 27, 1902.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

With reference to Mr. Buck's dispatch No.671 of August 15th, I have the honor to enclose an official text of the protocol signed August 28th whereby it is agreed between the governments of Great Britain, France, Germany, and Japan that the house tax question shall be submitted to arbitration in accordance with the provisions of the Hague Convention, of which they are co-signatories, Great Britain, France, and Germany forming one and Japan the other party to the controversy.

It will be seen that each party is to select one arbitrator and that the two so chosen are to designate an umpire. But if they fail to do this within two months after their appointment, His Majesty the King of Sweden and Norway will be requested to name the umpire. All three arbitrators are to be members of the Permanent Court of Arbitration of The Hague.

Prefixed to the protocol is the note of the Japanese Minister for Foreign Affairs by which his Government promise that, pending the termination of the arbitral proceedings, they will suspend the forcible collection of the house tax. The assurance mentioned in dispatch No.672 of the 18th ultimo has thus been formally confirmed.

American holders of Settlement properties under perpetual leases seem to be in a satisfactory position with regard to the house tax, since they await the results of the

the arbitration with rights, present and future, the same as those of British, French, and German lease holders, and are meanwhile safeguarded from distraint for non-payment of the tax.

I have the honor to enclose also a copy of the Baron Komura's letter of this date in answer to a note conveying the substance of the instruction of July 18th. At the same time he transmits the protocol and expresses appreciation of the American Government's attitude throughout the controversy.

I have the honor to be,

Sir,

Your obedient servant,

Huntington Wilson.

Enclosures:

No.1. Text of House Tax Arbitration Protocol.

No.2. The Baron Komura to Mr. Huntington Wilson, September 27.

sure No.2 with Mr. Wilson's No.685, September 27,--Copy.

lation. No.39. Department of Foreign Affairs,
Tokio, September 27, 1902.

Huntington Wilson, Esqre.,
Chargé d'Affaires of the United States of America.
Monsieur le Chargé d'Affaires,

The Note which His Excellency the Minister of the United States did me the honour to address to me under date of the 15th ultimo, relating to the proposed reference to arbitration of the question of the house tax, was duly received.

The basis of the proposed arbitration had, sometime before the receipt of Mr. Buck's Note, been definitively agreed upon by the Powers actively interested in the question and the Protocol, embodying the previously accepted issue, was signed by the Representatives of Japan, Germany, France and Great Britain on the 28th ultimo.

I have the honour to enclose herewith a copy of the Protocol and to assure you that the submission is as comprehensive as the controversy which it is intended to compose.

With expressions of appreciation for the attitude of impartial friendship which the Government of the United States has maintained throughout the discussion of the house tax question, I beg to renew to you the assurances of my high consideration.

Signed: Baron Komura Jutaro,
Minister for Foreign Affairs.

PROTOCOLE.

Attendu qu'un désaccord s'est produit entre le Gouvernement du Japon d'une part, et les Gouvernements de France, d'Allemagne et de Grande-Bretagne d'autre part, touchant le sens réel et la portée des dispositions suivantes des traités respectifs et autres engagements existant entre eux, c'est-à-dire :

Paragraphe 4 de l'Article XVIII du Traité de Commerce et de Navigation du 4 avril 1896 entre le Japon et l'Allemagne : " Sobald diese Einverleibung erfolgt " [c'est-à-dire : quand les divers quartiers étrangers qui existent au Japon auront été incorporés dans les communes respectives du Japon] " sollen die bestehenden, zeitlich unbegrenzten Ueberlassungsverträge, unter " welchen jetzt in den gedachten Niederlassungen Grundstücke besessen werden, bestätigt und " hinsichtlich dieser Grundstücke sollen keine Bedingungen irgend einer anderen Art auferlegt " werden, als sie in den bestehenden Ueberlassungsverträgen enthalten sind " ; — et § 3 de la communication complémentaire de même date du Secrétaire d'Etat des Affaires Etrangères de l'Empire d'Allemagne au Ministre du Japon à Berlin : " 3. dass, da das Eigenthum an den " im Artikel XVIII des Vertrages erwähnten Niederlassungsgrundstücken dem Japanischen Staate " verbleibt, die Besitzer oder deren Rechtsnachfolger für ihre Grundstücke ausser dem kontrakt- " mässigen Grundzins Abgaben oder Steuern irgend welcher Art nicht zu entrichten haben werden," et l'alinéa suivant de la réponse du Ministre du Japon de même date à la précédente communication : " dass die darin unter Nummmer 1 bis 4 zum Ausdruck gebrachten Voraus- " setzungen, welche den Erwerb dinglicher Rechte an Grundstücken, die Errichtung von Wa- " arenhäusern, die Steuerfreiheit der Grundstücke in den Fremdenniederlassungen und die " Erhaltung wohlerworbener Rechte nach Ablauf des Vertrages zum Gegenstande haben, in allen Punkten zutreffend sind " ;

Paragraphe 4 de l'Article XXI du Traité revisé du 4 août 1896 entre le Japon et la France : " Lorsque les changements ci-dessus indiqués auront été effectués," [c'est-à-dire : lorsque les divers quartiers étrangers qui existent au Japon auront été incorporés aux communes respectives du Japon et feront dès lors partie du système municipal du Japon ; et lorsque les autorités japonaises compétentes auront assumé toutes les obligations et tous les devoirs municipaux, et que les fonds et biens municipaux qui pourraient appartenir à ces quartiers auront été transférés auxdites autorités] " les baux à perpétuité en vertu desquels les étrangers possèdent actuellement " des propriétés dans les quartiers seront confirmés, et les propriétés de cette nature ne donneront " lieu à aucuns impôts, taxes, charges, contributions ou conditions quelconques autres que ceux " expressément stipulés dans les baux en question " ;

Paragraphe 4 de l'Article XVIII du Traité revisé du 16 juillet 1894 entre le Japon et la Grande-Bretagne : " When such incorporation takes place," [c'est-à-dire : quand les divers quartiers étrangers qui existent au Japon auront été incorporés aux communes respectives du Japon] " existing leases in perpetuity under which property is now held in the said Settlements " shall be confirmed, and no conditions whatsoever other than those contained in such existing " leases shall be imposed in respect of such property " ;

Attendu que le litige n'est pas susceptible d'être réglé par la voie diplomatique ;

Attendu que les Puissances en désaccord, cosignataires de la Convention de La Haye pour le règlement pacifique des conflits internationaux, ont résolu de terminer ce différend, en soumettant la question à un arbitrage impartial suivant les stipulations de ladite Convention ;

Lesdites Puissances ont, dans le but de réaliser ces vues, autorisé les Représentants ci-dessous désignés, à savoir :

Le Gouvernement Français : M. G. Dubail, Ministre Plénipotentiaire, Chargé d'Affaires de la République française ;

Le Gouvernement Allemand : M. le Comte d'Arco Valley, Envoyé Extraordinaire et Ministre Plénipotentiaire de Sa Majesté l'Empereur d'Allemagne, Roi de Prusse ;

Le Gouvernement de Grande-Bretagne : Sir Claude Maxwell MacDonald, G. C. M. G., K. C. B., Envoyé Extraordinaire et Ministre Plénipotentiaire de Sa Majesté le Roi de Grande-Bretagne ;

Le Gouvernement du Japon : M. le Baron Komura Jutaro, Ministre des Affaires Etrangères de Sa Majesté l'Empereur du Japon ;

à conclure le protocole suivant :

I.—Les Puissances en litige décident que le Tribunal Arbitral auquel la question sera soumise en dernier ressort sera composé de trois membres pris parmi les Membres de la Cour Permanente d'Arbitrage de La Haye et qui seront désignés de la manière suivante :

Chaque Partie, aussitôt que possible, et dans un délai qui n'excèdera pas deux mois à partir de la date de ce Protocole, devra nommer un arbitre et les deux arbitres, ainsi désignés, choisiront ensemble un surarbitre. Dans le cas où les deux arbitres n'auront pas, dans le délai de deux mois, après leur désignation, choisi un surarbitre, Sa Majesté le Roi de Suède et Norvège sera prié de nommer un surarbitre.

II.—La question en litige sur laquelle les Parties demandent au Tribunal Arbitral de prononcer une décision définitive est la suivante :

Oui ou non, les dispositions des traités et autres engagements ci-dessus mentionnés, exemptent-elles seulement les terrains possédés en vertu des baux perpétuels concédés par le Gouvernement Japonais ou en son nom,—ou bien exemptent-elles les terrains et les bâtiments de toute nature construits ou qui pourraient être construits sur ces terrains,—de tous impôts, taxes, charges, contributions ou conditions quelconques autres que ceux expressément stipulés dans les baux en question ?

III.—Dans le délai de huit mois après la date de ce Protocole, chaque Partie devra remettre aux différents membres du Tribunal et à l'autre Partie, les copies complètes, écrites ou imprimées, de son mémoire contenant toutes pièces à l'appui et arguments produits par elle au présent arbitrage. Dans un délai de six mois au plus après cette remise, une communication semblable sera faite des copies manuscrites ou imprimées, des contremémoires, pièces à l'appui et conclusions finales des deux Parties : il est bien entendu que ces répliques, documents additionnels et conclusions finales devront se limiter à répondre au mémoire principal et aux argumentations produites précédemment.

IV.—Chaque Partie aura le droit de soumettre au Tribunal Arbitral comme instruments à faire valoir, tous les documents, mémoires, correspondances officielles, déclarations ou actes officiels ou publics se rapportant à l'objet de l'arbitrage et qu'elle jugera nécessaire. Mais, si dans les mémoires, contremémoires ou arguments soumis au Tribunal, l'une ou l'autre Partie s'est référée ou a fait allusion à un document ou papier en sa possession exclusive, dont elle n'aura pas joint la copie, elle sera tenue, si l'autre Partie le juge convenable, de lui en donner la copie dans les trente jours qui en suivront la demande.

V.—Chacune des Parties peut, si elle le juge convenable, mais sous la réserve d'un droit de réponse de la part de l'autre Partie, dans un temps qui sera fixé par le Tribunal Arbitral, présenter, à telles fins que celui-ci jugera utiles, un état de ses objections aux contremémoires, instruments additionnels et conclusions finales de l'autre Partie, dans le cas où ces documents ou l'un d'eux n'auraient pas trait à la question, seraient erronés ou ne se limiteraient pas à répondre strictement au mémoire principal et à son argumentation.

VI.—Ni papiers, ni communications soit écrites, soit orales, autres que ceux prévus par les paragraphes III et V de ce Protocole ne devront être acceptés ou pris en considération dans le présent arbitrage à moins que le Tribunal ne demande à l'une ou l'autre Partie une explication ou information supplémentaire qui devra être donnée par écrit. Dans ce cas, l'autre Partie aura le droit de présenter une réponse écrite dans un délai à fixer par le Tribunal.

VII.—Le Tribunal se réunira en un lieu indiqué plus tard par les Parties, aussitôt que possible, mais ni avant deux mois, ni plus tard que trois mois à dater de la remise des contre-

mémoires, prévue au paragraphe III de ce Protocole ; il procèdera avec impartialité et soin à l'examen et au jugement du litige. Le jugement du Tribunal sera prononcé autant que possible dans le délai d'un mois après la clôture par le Président des débats de l'arbitrage.

VIII.—Dans cet arbitrage, le Gouvernement Japonais sera considéré comme étant l'une des Parties, et les Gouvernements français, allemand et de la Grande-Bretagne conjointement comme étant l'autre Partie.

IX.—En tout ce qui n'est pas prévu par le présent Protocole, les stipulations de la Convention de La Haye pour le règlement pacifique des conflits internationaux seront appliquées à cet arbitrage.

Fait à Tokio le 28 Août mil neuf cent deux, correspondant au 28ème jour du huitième mois de la trente-cinquième année de Meiji.

PROTOKOLL.

In der Erwägung,

dass zwischen den Regierungen von Deutschland, Frankreich und Gross Britannien einerseits und der Japanischen Regierung andrerseits ein Streitfall über den wahren Sinn und die Bedeutung der nachstehend aufgeführten Bestimmungen der zwischen ihnen abgeschlossenen Verträge und anderen Vereinbarungen entstanden ist, nämlich:

Artikel XVIII Absatz 4 des Handels-und Schifffahrtsvertrages zwischen dem Deutschen Reich und Japan vom 4. April 1896:

"Sobald diese Einverleibung erfolgt," (das heisst, sobald die einzelnen Fremdenniederlassungen in Japan den betreffenden Japanischen Gemeinden einverleibt sein werden) "sollen die bestehenden, zeitlich unbegrenzten Ueberlassungsverträge, unter welchen jetzt in den gedachten Niederlassungen Grundstücke besessen werden, bestätigt und hinsichtlich dieser Grundstücke sollen keine Belingungen irgend einer anderen Art auferlegt werden, als sie in den bestehenden Ueberlassungsverträgen enthalten sind";

ferner Ziffer 3 der Note des Kaiserlich Deutschen Staatssekretärs des Auswärtigen Amts vom selben Tage an den Kaiserlich Japanischen Gesandten in Berlin:

"3. dass, da das Eigenthum an den im Artikel XVIII des Vertrages erwähnten Niederlassungsgrundstücken dem Japanischen Staate verbleibt, die Besitzer oder deren Rechtsnachfolger für ihre Grundstücke ausser dem kontraktmässigen Grundzins Abgaben oder Steuern irgend welcher Art nicht zu entrichten haben werden";

und im Absatz 1 der Erwiderung des Japanischen Gesandten vom selben Tage auf die vorhergehende Note:

"dass die darin unter Nummer 1 bis 4 zum Ausdruck gebrachten Voraussetzungen, welche den Erwerb dinglicher Rechte an Grundstücken, die Errichtung von Waarenhäusern, die Steuerfreiheit der Grundstücke in den Fremdenniederlassungen und die Erhaltung wohlerworbener Rechte nach Ablauf des Vertrages zum Gegenstande haben, in allen Punkten zutreffend sind";

Artikel XXI Absatz 4 des revidirten Vertrages zwischen Frankreich und Japan vom 4. August 1896:

"Lorsque les changements ci-dessus indiqués auront été effectués," (das heisst, sobald die einzelnen Fremdenniederlassungen in Japan den betreffenden Japanischen Gemeinden einverleibt sein und Bestandtheile der Japanischen Gemeinden bilden werden; und sobald die zuständigen Japanischen Behörden alle municipalen Verbindlichkeiten und Verpflichtungen übernommen haben und die municipalen Gelder und Vermögensgegenstände, welche diesen Niederlassungen gehören, den genannten Japanischen Behörden übergeben sein werden) "les baux à perpétuité en vertu desquels les étrangers possèdent actuellement des propriétés dans les quartiers seront confirmés, et les propriétés de cette nature ne donneront lieu à aucuns impôts, taxes, charges, contributions ou conditions quelconques autres que ceux expressément stipulés dans les baux en question"; und

Artikel XVIII Absatz 4 des revidirten Vertrages vom 16. Juli 1894 zwischen Gross Britannien und Japan:

"When such incorporation takes place," (das heisst, sobald die einzelnen Fremdenniederlassungen in Japan den betreffenden Japanischen Gemeinden einverleibt sein werden) "existing leases in perpetuity under which property is now held in the said Settlements shall be confirmed, and no conditions whatsoever

" other than those contained in such existing leases shall be imposed in respect of " such property " ;

in der Erwägung,

dass der Streitfall auf gewöhnlichem diplomatischen Wege nicht erledigt werden kann ;

und in der Erwägung,

dass die betheiligten Mächte, welche Signatarmächte des Haager Abkommens zur friedlichen Erledigung internationaler Streitfälle sind, beschlossen haben, den Streitfall dadurch zu erledigen, dass sie denselben in Gemässheit der Bestimmungen des vorerwähnten Abkommens einem unparteiischen Schiedsgericht unterbreiten ;

haben die genannten Regierungen zur Ausführung dieses Entschlusses die nachstehenden Vertreter, nämlich :

die Regierung von Deutschland :

den Ausserordentlichen Gesandten und Bevollmächtigten Minister Seiner Majestät des Deutschen Kaisers, Königs von Preussen, Herrn Grafen von Arco Valley ;

die Regierung von Frankreich :

den Bevollmächtigten Minister, Geschäftsträger von Frankreich, Herrn G. Dubail ;

die Regierung von Gross Britannien :

den Ausserordentlichen Gesandten und Bevollmächtigten Minister Seiner Majestät des Königs von Gross Britannien, Sir Claude Maxwell MacDonald, G. C. M. G., K. C. B. ;

die Regierung von Japan :

den Minister der Auswärtigen Angelegenheiten Seiner Majestät des Kaisers von Japan, Herrn Baron Komura Jutaro ;

ermächtigt, das nachstehende Protokoll abzuschliessen :

I. Die an dem Streitfall betheiligten Regierungen kommen dahin überein, dass das Schiedsgericht, welchem der Streitfall zur endgültigen Entscheidung vorzulegen ist, aus drei Mitgliedern bestehen soll, die dem ständigen Schiedshof im Haag angehören und in nachstehender Weise zu bestimmen sind :

Jede Partei hat so bald wie möglich, jedenfalls nicht später als zwei Monate nach dem Datum dieses Protokolls, einen Schiedsrichter zu ernennen, und die beiden so ernannten Schiedsrichter haben gemeinschaftlich einen Obmann zu wählen. Wenn die beiden Schiedsrichter zwei Monate nach ihrer Ernennung einen Obmann noch nicht gewählt haben, so soll Seine Majestät der König von Schweden und Norwegen gebeten werden, einen Obmann zu ernennen.

II. Die Streitfrage, über welche die in diesem Schiedsverfahren streitenden Parteien eine endgültige Entscheidung des Schiedsgerichts erbitten, ist folgende :

Befreien die vorerwähnten Bestimmungen der Verträge und übrigen Vereinbarungen lediglich den Grund und Boden, welcher unter den zeitlich unbegrenzten, von der Japanischen Regierung oder für dieselbe abgeschlossenen Ueberlassungsverträgen besessen wird, oder befreien sie Grund und Boden und Gebäude jeglicher Art, welche auf diesem Grund und Boden errichtet sind oder in der Folge errichtet werden sollten, von allen Abgaben, Steuern, Lasten, Contributionen oder Bedingungen jeder Art, welche nicht ausdrücklich in den betreffenden Ueberlassungsverträgen festgesetzt sind ?

III. Innerhalb von acht Monaten, vom Datum dieses Protokolls an gerechnet, soll jede Partei den einzelnen Mitgliedern des Schiedsgerichts und der Gegenpartei in je einem Exemplar eine vollständige, geschriebene oder gedruckte Darstellung des Streitfalls, ihrer Gründe und des Beweismaterials überreichen, auf welche sie sich in dem gegenwärtigen Schiedsverfahren stützt. Innerhalb von weiteren sechs Monaten haben beide Parteien in gleicher Weise in geschriebener oder gedruckter Form ihre Gegenvorstellungen nebst deren schliesslicher Begründung sowie das ergänzende Beweismaterial einzureichen ; diese Gegenvorstellungen, deren Begründung

und das ergänzende Beweismaterial sollen indessen lediglich eine Erwiderung auf die von der Gegenpartei eingereichte Darstellung des Streitfalls, auf dessen Begründung und auf das darauf bezügliche Beweismaterial enthalten.

IV. Jeder Partei steht das Recht zu, dem Schiedsgericht als Beweismaterial alle diejenigen Urkunden, Schriftstücke, amtlichen Correspondenzen und anderen offiziellen oder öffentlichen Erklärungen und Akten über den Streitgegenstand zu unterbreiten, deren Vorlegung sie als nothwendig erachtet. Wenn aber eine Partei in ihrer Darstellung des Streitfalls, ihrer Gegenvorstellung oder Begründung ein in ihrem ausschliesslichen Besitz befindliches Schriftstück erwähnt oder auf ein solches Bezug nimmt, ohne eine Abschrift beizufügen, so ist sie verpflichtet, der Gegenpartei auf deren Verlangen innerhalb von dreissig Tagen nach Stellung des bezüglichen Antrags eine Abschrift des betreffenden Schriftstücks auszuhändigen.

V. Jede Partei ist berechtigt, vorbehaltlich des Rechts einer Erwiderung seitens der Gegenpartei, dem Schiedsgericht innerhalb einer von ihm zu bestimmenden Frist zur geeigneten Verwerthung eine Aufzeichnung derjenigen Einwendungen vorzulegen, die sie bezüglich der von der anderen Partei eingereichten Gegenvorstellung, deren Begründung und des ergänzenden Beweismaterials erhebt, wenn sie der Ansicht ist, dass die betreffenden Schriftstücke oder einige derselben unerheblich oder unrichtig sind, oder sich nicht genau in den Grenzen einer Erwiderung auf die Darstellung des Streitfalls, deren Begründung oder auf das Beweismaterial halten.

VI. Abgesehen von den unter Nummer III und V dieses Protokolls aufgeführten, sollen keine Schriftstücke oder Mittheilungen in schriftlicher oder mündlicher Form in dem Schiedsverfahren zugelassen oder berücksichtigt werden, es sei denn, dass das Schiedsgericht von einer Partei neue oder ergänzende, in schriftlicher Form abzugebende Erläuterungen oder Aufschlüsse verlangt. Sind diese Erläuterungen oder Aufschlüsse gegeben, so soll die Gegenpartei berechtigt sein, sich hierauf innerhalb einer von dem Schiedsgericht zu bestimmenden Frist schriftlich zu äussern.

VII. Das Gericht soll an einem später von den Parteien zu bezeichnenden Ort so bald wie thunlich zusammentreten, aber nicht eher als zwei Monate und nicht später als drei Monate nach Einreichung der Gegenvorstellung gemäss Nummer III dieses Protokolls; es soll den Streitfall unparteiisch und sorgfältig prüfen und entscheiden. Die Entscheidung des Gerichtes soll, wenn möglich, innerhalb eines Monats nach dem Zeitpunkt verkündet werden, an dem der Präsident die Verhandlung für geschlossen erklärt hat.

VIII. In dem Schiedsverfahren ist die Japanische Regierung als die eine Partei anzusehen, während die Regierungen von Deutschland, Frankreich und Gross Britannien zusammen als die andere Partei gelten.

IX. Sofern in diesem Protokoll nichts anderes vorgesehen ist, sollen in dem gegenwärtigen Schiedsverfahren die Vorschriften des Haager Abkommens zur friedlichen Erledigung internationaler Streitfälle zur Anwendung kommen.

So geschehen in Tokio am 28. August 1902 (28. Tag des 8. Monats des 35. Jahres Meiji.)

明治三十五年八月二十八日即西暦千九百二年八月二十八日東京ニ於テ之ヲ作ル

第六條

本議定書第三條及第五條ニ掲ケタル以外ノ文書ハ本仲裁裁判ニ於テ書面又ハ口頭ヲ以テ之ヲ提出スルコトヲ許スコトナク又參考ノ資料トシテ之ヲ採納スルコトナカルヘシ但仲裁裁判所ニ於テ當事者ノ一方ニ對シ追加又ハ補遺トシテ更ニ書面ヲ以テ說明又ハ陳述ヲ求メタルトキハ此ノ限ニ在ラス而シテ右說明又ハ陳述ヲ爲ス場合ニ於テハ他ノ一方ハ仲裁裁判所ノ定ムル期間内ニ之ニ對スル答辯書ヲ提出スルノ權利ヲ有スヘシ

第七條

仲裁裁判所ハ本議定書第三條ニ規定シタル辯駁書交付ノ時ヨリ二箇月ヲ經過シ三箇月ヲ超ヘサル期間ニ於テ可成速ニ兩當事者ノ今後指定スヘキ地ニ開廷シ本係爭問題ヲ公平愼重ニ審理シ裁判長ニ於テ本仲裁裁判ノ辯論ヲ閉ツル旨ヲ宣告シタル後可成一箇月以内ニ其ノ判決ヲ言渡スヘシ

第八條

本仲裁裁判ニ於テハ日本國政府ヲ以テ當事者ノ一方ト爲シ獨逸國佛蘭西國及大不列顛國ノ各政府共同シテ他ノ一方ヲ組成スルモノト看做スヘシ

第九條

本議定書ニ別段ノ定ナキ限ハ海牙ニ於テ締結シタル國際紛爭平和的處理條約ノ規定ヲ本仲裁裁判ニ適用スヘシ

駁書、追加證據書類及最終辯論書ノ書寫又ハ印刷謄本ヲ右ト均シク交付スヘシ但右辯駁書、追加證據書類及最終辯論書ニ於テハ前ニ交付セル陳辯書、證據書類及辯論書ニ對シ辯駁スルノ外他事ニ渉ルコトヲ得ス

第四條

各當事者ハ其ノ必要ト認ムル所ニ從ヒ本件ニ於ケル證據トシテ本仲裁裁判事件ニ關係アル文書、記錄、官ノ往復文書及其ノ他ノ官公告示令達ヲ仲裁裁判所ニ提出スルノ權利ヲ有ス然レトモ當事者ノ一方カ仲裁裁判所ニ提出シタル陳辯書、辯駁書又ハ辯論書ニ於テ單ニ其ノ一方ノ占有ニノミ存スル文書ヲ指摘シ又ハ之ヲ引援シ而シテ其ノ謄本ヲ添付セサル場合ニ於テ他ノ一方カ之ヲ請求スルヲ適當ト思考スルトキハ其ノ請求アリタル日ヨリ三十日以內ニ該謄本ヲ其ノ一方ニ提供スルノ義務アルモノトス

第五條

當事者ノ一方ハ他ノ一方ノ辯駁書、追加證據書類若ハ最終辯論書中本係爭論點ニ關係ナキモノアルカ又ハ之ニ誤謬アルカ或ハ陳辯書、證據書類及辯論書ニ對スル辯駁以外ニ渉ルモノアリト認ムル異議ノ申立ヲ爲スヲ適當ト考量スルトキハ仲裁裁判所ノ相當ト認ムル處分ヲ受クル爲メ他ノ一方ノ辯駁書、追加證據書類及最終辯論書ニ對スル異議書ヲ仲裁裁判所ニ提出スルコトヲ得但此ノ場合ニ於テハ他ノ一方ハ仲裁裁判所ノ定ムル期間內ニ於テ之ニ對シ答辯ヲ爲スノ權利ヲ有スヘシ

約ス

各當事者ハ本議定書ノ日附ヨリ二箇月以内ニ於テ可成速ニ各一名ノ仲裁裁判官ヲ任命スヘシ而シテ此ノ如ク任命ヲ受ケタル兩名ノ仲裁裁判官ハ倶ニ一名ノ上級仲裁裁判官ヲ選定スヘキモノトス若シ右兩名ノ仲裁裁判官其ノ任命後二箇月以内ニ上級仲裁裁判官ヲ選定スルコト能ハサルトキハ上級仲裁裁判官ノ選定ハ之ヲ瑞典諾威國皇帝陛下ニ委託スヘシ

第二條

本仲裁裁判ノ當事者雙方ニ於テ終局的判決ヲ宣告セムコトヲ仲裁裁判所ニ申請スヘキ係爭問題ハ左ノ如シ

上文ニ抄錄シタル條約及其ノ他協定ノ規定ハ日本國政府ヨリ又ハ其ノ名ヲ以テ發給セラレタル永代借地券ニ依リ保有セラルル土地ニ對シテノミ該地券ニ特ニ規定シタルモノヲ除クノ外一切ノ租稅、賦課金、取立金及條件ヲ免除シタル乎將タ土地并ニ該地上ニ現ニ築造セラレ若クハ將來築造セラルヘキ一切ノ建物ニ對シテ之ヲ免除シタル乎

第三條

各當事者ハ本議定書ノ日附ヨリ八箇月以内ニ其ノ陳辯書并ニ本仲裁裁判ニ於テ其ノ憑據トスル證據及辯論ヲ載セタル文書ノ書寫又ハ印刷謄本各一部ヲ取揃ヘ之ヲ各仲裁裁判官并ニ相手方當事者ニ交付スヘシ而シテ爾後六箇月ヲ超エサル期間ニ於テ雙方ノ辯

those contained in such existing leases shall be imposed in respect of such property.

然ルニ右紛爭ハ通常ノ外交手續ニ依リテ處理スルコト能ハス而シテ海牙國際紛爭平和的處理條約ノ共同記名國タル右紛爭諸國ハ本係爭點ヲ該條約ノ規定ニ依準シテ公平ナル仲裁裁判ニ附シ以テ本件ヲ終結セムト決定セルニ因リ前記諸國ハ其ノ決定ヲ遂行スル爲メ左記ノ代表者即チ

日本國政府ハ

外務大臣男爵小村壽太郎

獨逸國政府ハ

特命全權公使伯爵フォン、アルコー、ワルライ

佛蘭西國政府ハ

臨時代理公使タル全權公使ジェー、デュバイユ

大不列顛國政府ハ

特命全權公使サー、クロード、マックスウェル、マクドナルド

ニ左ノ協定ヲ爲スコトヲ委任シタリ

第一條

紛爭國ハ本係爭問題ヲ終局的裁判ニ附スヘキ仲裁裁判所ハ海牙常設仲裁裁判所裁判官タル三名ノ仲裁裁判官ヲ以テ組織スルモノトシ其ノ選任ハ左ノ方法ニ依ルヘキコトヲ

及右公文ニ對シ日本國公使ノ送リタル同日附回答文中左ノ一節

dass die darin unter Nummer 1 bis 4 zum Ausdruck gebrachten Voraussetzungen, welche den Erwerb dinglicher Rechte an Grundstücken, die Errichtung von Waarenhäusern, die Steuerfreiheit der Grundstücke in den Fremdenniederlassungen und die Erhaltung wohlerworbener Rechte nach Ablauf des Vertrages zum Gegenstande haben, in allen Punkten zutreffend sind.

一千八百九十六年八月四日ノ日佛改正條約第二十一條第四項

Lorsque les changements ci-dessus indiqués auront été effectués,(即チ日本國ニ在ル各外國人居留地カ其ノ所在ノ日本國市區ニ編入セラレテ日本國市區組織ノ一部トナリ日本國當該官吏ニ於テ地方施政上一切ノ責任義務ノ引繼ヲ受ケ各居留地ニ屬スル共有資金及財產カ右日本國官吏ヘ引渡濟トナリタルトキハ) les baux à perpétuité en vertu desquels les étrangers possèdent actuellement des propriétés dans les quartiers seront confirmés, et les propriétés de cette nature ne donneront lieu à aucuns impôts, taxes, charges, contributions ou conditions quelconques autres que ceux expressément stipulés dans les baux en question.

一千八百九十四年七月十六日ノ日英改正條約第十八條第四項

When such incorporation takes place, (即チ日本國ニ在ル各外國人居留地カ其ノ所在ノ日本國市區ニ編入セラレタルトキハ) existing leases in perpetuity under which property is now held in the said Settlements shall be confirmed, and no conditions whatsoever other than

議定書

一方ニ於テ日本國政府ト他ノ一方ニ於テ獨逸國、佛蘭西國及大不列顛國ノ各政府トノ間ニ其ノ相互間ニ現存スル條約及其ノ他協約中ノ左記規定ノ眞正ナル趣旨及意義ニ關シ紛爭ヲ生シタリ

一千八百九十六年四月四日ノ日獨通商航海條約第十八條第四項

Sobald diese Einverleibung erfolgt,(即チ日本國ニ在ル各外國人居留地カ其ノ所在ノ日本國市區ニ編入セラレタルトキハ)sollen die bestehenden, zeitlich unbegrenzten Ueberlassungsverträge, unter welchen jetzt in den gedachten Niederlassungen Grundstücke besessen werden, bestätigt und hinsichtlich dieser Grundstücke sollen keine Bedingungen irgend einer anderen Art auferlegt werden, als sie in den bestehenden Ueberlassungsverträgen enthalten sind.

獨逸國外務大臣ヨリ伯林駐劄日本國公使ニ送リタル前記條約ト同日附ノ附屬公文ノ第三點

3. dass, da das Eigenthum an den im Artikel XVIII des Vertrages erwähnten Niederlassungsgrundstücken dem Japanischen Staate verbleibt, die Besitzer oder deren Rechtsnachfolger für ihre Grundstücke ausser dem kontraktmässigen Grundzins Abgaben oder Steuern irgend welcher Art nicht zu entrichten haben werden;

外務省文書
明治三十五年八月二十八日印刷

家屋稅問題仲裁裁判ニ關スル議定書

和文
獨文
佛文
英文

附屬外交文書及其ノ英譯文

INDEX BUREAU
REC'D.
OCT
20
1902
DEPT OF STATE

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
OCT 20 1902
BUREAU.

No. 686.

October 1, 1902.

File

Mr. Huntington Wilson

to the Secretary of State.

Subject:

Mr. Lyon's new commission as consul at Kobe.

UNITED STATES LEGATION.
TOKIO.

No. 686. October 1, 1902.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to acknowledge the receipt of the Department's instruction No. 418 of August 8th, enclosing Mr. Lyon's new commission as Consul of the United States at Kobe.

I have transmitted the commission to Mr. Lyon together with an exequatur under his new designation.

I have the honor to be,

Sir,

Your obedient servant,

Huntington Wilson.

UNITED STATES LEGATION.
TOKIO.

DEP'T OF STATE
OCT
27
1902
2ND ASST SECRETARY

DIPLOMATIC BUREAU
Ack. by Number and File.
BUREAU OF ACCOUNTS
will note.

No. 687.

October 3, 1902.

INDEX BUREAU
RECD.
OCT.
27
1902
DEPT. OF STATE

DIPLOMATIC
OCT 28 1902
BUREAU.

RECEIVED.
OCT
28
1902
BUR. ACCOUNTS DEP. OF STATE.

Mr. Buck,

to the Secretary of State.

File

Subject.

Mr. Buck returns from leave of absence.

UNITED STATES LEGATION.
TOKIO.

No.667. October 3, 1902.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to report that, having arrived at Yokohama yesterday on the U. S. Flagship NEW YORK after a months cruise to Hakodate, Vladivostock, and Korean Ports, on leave of absence, I have today resumed the duties of my post.

I have the honor to be,

Sir,

Your obedient servant,

A. E. Buck

UNITED STATES LEGATION,
TOKIO.

DEP'T OF STATE
OCT
27
1902
2ND ASST SECRETARY

DIPLOMATIC BUREAU
Ack. by Number and File.
BUREAU OF ACCOUNTS
will note.

DIPLOMATIC
OCT 28 1902
BUREAU.

No. 688.

October 3, 1902.

INDEX BUREAU
RECD.
OCT
27
1902
DEPT. OF STATE

Mr. Buck

to the Secretary of State.

Subject:

Mr. Wilson goes on leave.

UNITED STATES LEGATION.
TOKIO.

No.688. October 3, 1902.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to report that, on this date, Mr. Huntington Wilson, First Secretary of this Legation, avails hinself of a leave of absence, with permission to visit the United States, granted by the Department's instruction No.407, of May 15th last.

I have the honor to be,

Sir,

Your obedient servant,

W. W. Buck

DEP'T OF STATE
OCT
27
1902
2ND ASST SECRETARY

DIPLOMATIC BUREAU
Ack. by Number and Date.
BUREAU OF ACCOUNTS
will note.

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
OCT 28 1902
BUREAU.

INDEX BUREAU
REGISTRY
OCT
27
1902
DEPT. OF STATE

No. 649.

October 3, 1902.

Mr. Buck

to the Secretary of State.

SUBJECT: Mr. Ferguson, 2nd Secretary, returns from leave.

UNITED STATES LEGATION.
TOKIO.

No.689 October 3, 1902.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to report that Mr. Ferguson, Second Secretary of this Legation, who has availed himself of a month's leave of absence granted by the Department's telegraphic instruction of the 27th of August last, resumed his duties today.

I have the honor to be,

Sir,

Your obedient servant,

A. Dunn

UNITED STATES LEGATION.
TOKIO.

No.689 October 3, 1902.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to report that Mr. Ferguson, Second Secretary of this Legation, who has availed himself of a month's leave of absence granted by the Department's telegraphic instruction of the 27th of August last, resumed his duties today.

I have the honor to be,

Sir,

Your obedient servant,

A. Dunn

DIPLOMATIC
NOV 3 1902
BUREAU.

UNITED STATES LEGATION.
TOKIO.

No. 690. October 8, 1902.

INDEX BUREAU
RECD.
OCT
31
1902
DEPT. OF STATE

Mr. Buck

to the Secretary of State,

INDEX BUREAU
FILED
NOV 4 1902
DEPT. OF STATE

Subject:

Passport issued to Mrs. Kaneko.

UNITED STATES LEGATION.
TOKIO.

No. 690. October 8, 1902.

To the Honorable John Hay,
Secretary of State,
Washington, D.C.

Sir:

I have the honor to acknowledge the receipt of instruction No. 417 of the 7th of August last, acknowledging the receipt of my unnumbered despatch of July 1st, last, enclosing a report of passports issued by this legation during the quarter ending June 30, 1902, and stating that, "In view of the fact that it has been decided by the Federal Courts that the naturalization of a person of the Japanese race is unlawful, the Department would be glad to know whether Mr. and Mrs. Kaneko are of that race".

In reply I have the honor to state that Mr. and Mrs. Kaneko are of the Japanese race; and that, while I was familiar with the general provisions of law relating to naturalization and the specific prohibition of the naturalization of Chinese,-- provisions which should prevent the issuance of certificates of naturalization of them by any court of record in the United States--, having overlooked the provisions of Section 140 of "Instructions to Diplomatic Officers" as applying to Japanese, I did not at the time feel warranted in refusing to recognize such certificate issued in due form by a competent court of record.

I have written Mr. Kaneko recalling the passport.

I have the honor to be,

Sir,

Your obedient servant,

W. W. Buck

UNITED STATES LEGATION.
TOKIO.

DEP'T OF STATE
OCT
31
1902
2ND ASST SECRETARY

DIPLOMATIC BUREAU
Ack + file.

No. 691.

DIPLOMATIC
OCT 31 1902
BUREAU.

October 9, 1902.

INDEX BUREAU
REC'D.
OCT
31
1902
DEPT. OF STATE

Hale
Nov. 1
file

Mr. Buck

to the Secretary of State.

Subject:

Typhoon of September 28th.

UNITED STATES LEGATION.
TOKIO.

No. 691. October 9, 1902.

To the Honorable John Hay,
Secretary of State,
Washington, D.C.

Sir:

I have the honor to report that, following the heavy rains and numerous earthquakes of the spring and summer, referred to in my No. 676 of August 23rd, and the volcanic eruption at Torajima reported in my No. 678 of August 26th, Japan has been visited during the intervening weeks by a succession of heavy storms that have wrought great damage throughout the country, making the record for the season one of unprecedented disaster.

The typhoon of the 28th ultimo was especially severe, --the most so for many years--,working considerable havoc throughout the city of Tokyo and neighborhood, levelling fences, trees, buildings etc. . The typhoon was accompanied by heavy rain , causing destruction of houses and property by the floods of the mountain streams and of rivers; and, what is much more regrettable, the storm caused a tidal wave of considerable height to sweep the adjacent coasts, carrying away many houses and resulting in the loss of several hundreds of lives.

I am happy to state that the injuries to the legation premises were comparatively slight, considering the severity of the storm, yet they were such as to necessitate considerable additional repairs.

I have the honor to enclose herewith cuttings from the Japan Times of the 30th ultimo, giving the details of the ravages of the typhoon.

I have the honor to be,

Sir,

Your obedient servant

W. W. Rockhill

Enclosures:
Duplicate cuttings from
the Japan Times of Sept. 30.

Enclosure with Jap. Records No. 691 of Aug. 9, 1902.

SUNDAY'S TYPHOON.

IN THE CITY.

On Sunday morning, the people of Tokyo woke to a tremendous day of storm. The damages in the city were as follows:—

In KOJIMACHI, the buildings were generally large ones and they consequently came out of the storm, generally speaking, intact. But Chatre's circus tent was entirely destroyed. Between 6 and 7 a.m., all the canvas of the enormous tent had been literally torn into pieces, and at the same time, the beams and pillars were broken. From amid the debris, the astonished troupe removed the dangerous managerie to a safer place towards Kyobashi. But the elephants and some other wild animals, that were not liable to be scared by rain and storm, were left standing amid the debris. In the neighbourhood, the wooden walls of the Kajibashi prison were destroyed, and the convicts, with their warders, were engaged in the work of repairs in the afternoon. The walls of the following buildings were destroyed:—The Educational Office, Financial Office, Telephone Exchange, Gendarmery Headquarters, Barracks of Mounted Guards, Prince Shimazu's, Mexican Legation, the Premier's, etc. A postman named U. Yoshiwara of the Iidamachi Post Office was passing the street in front of No. 14, Iidamachi Gochome, at 8 a.m. when a tile hit him on the left brow inflicting a severe cut. An employee named Hayashi of the Red Cross Society at Iidamachi Sanchome was making a passage for the water that had flowed into the grounds of the Society from the steep above it at 9.30 a.m. when the hillock slid down upon his head and the man was almost entirely buried under ground. Happily he was unearthed by the neighbours.

In AKASAKA, the walls of the U.S. Legation, of Prince Komatsu's, and of 187 other houses, were destroyed, 12 telephone connections were broken, and 98 houses flooded.

The most severe damages were done in HONJO. The chimney, 72 feet high, of the Hiraoka Iron Works broke from its base, smashed the factory, and greatly damaged three other factories. Happily there was no casualty to life or limb. The big book-binding factory of the Bungakusha in Futabacho, the Uyeda Dyeing factory in Yokoamicho, the Iwaki Glass Godown in Kikugawacho, the chimney of the Hirota coke manufactory, and freight office of the Tobu Railway's Nakanogo Station were completely destroyed. When a house in Nakanogo collapsed, it destroyed a neighbouring house, and almost killed a woman and her son who were in it. They were, however, saved from death by being dragged out from the debris. The ward being a somewhat low-lying part in the city, about 2,000 houses were flooded by the overflowing of a rivulet called the Yokokawa. Three telegraph wires and 77 telephone wires were cut, 654 walls destroyed, 25 chimneys blown down, and one ship sunk. Another ship is missing.

In USHIGOME, a great panic was created in Waseda. A newly built boarding house in front of the Waseda University was destroyed. It was a two-storeyed rectangular house, 30 yards by 6 yards, and was literally blown to pieces. There were five students, still sleeping at the time in the house and two of them were seriously injured. The students of the Waseda University were all engaged for some time in dragging these students from under the debris. Two maid servants in the house sustained serious injuries in the breast. Almost all the walls along the streets of Ichigaya, Yamabukicho, Tanimachi, Shirokanecho, Takajomachi, Babashitacho, and the walls of the Central Military Preparatory School were destroyed. Besides, 550 houses were flooded, 5 houses destroyed, 2 chimneys broken, two telephone wires broken and 171 trees uprooted.

In KYOBASHI, the Jiso temple in the West Honganji compounds in Tsukiji was destroyed. An old couple who inhabited the temple were buried under the debris, and the wife was injured seriously. The buildings that were entirely destroyed were the Central Commercial School at Echizenbori, the Tsukishima Iron Pipe Factory, the Tsukishima Sugar Refining Factory, and a tenement house inhabited by 94 people in Higashi Nakadori of Tsukishima, and the Tsukiji Branch Post Office. The roofs of the Kabuki Theatre and of the Shintomi Theatre were damaged. The cagle on the top of the five storeyed Tengu Tobacco Factory at Kobikicho Nichome was carried away by the blast and the factory itself suffered somewhat. The dyke in the shore of the Shintsukudajima was damaged to the extent of 120 yards. Besides, 141 telephone wires and 7 electric light wires were broken, 21 lamp posts broken, 154 walls destroyed, and 171 trees uprooted.

Rather serious accidents occurred in ASAKUSA during the storm. The Ikubun Middle School in Morishita-cho, which had just been built and in which a general autumnal meeting was to be held on Sunday, collapsed. A keeper narrowly escaped being crushed under the roof by running out of the premises just the moment when the edifice came down. A large *Keyaki* (*Zelkowa acuminata*) tree in the graveyard of the Keiyo-ji temple was uprooted and fell across the Sanyabori ditch with a tremendous crash. Just in the ditch a boat manned by a couple, Mr. and Mrs. H. Morita, was struggling with the maddening torrent, when the tree fell upon it. The boat sank and the man and his wife fainted, though afterwards they recovered. A police box in the vicinity had its window-panes broken and the policeman was obliged to stand out in the rain. Besides, four persons were injured, 33 telephone wires and an electric light wire broken, 14 vessels wrecked, 13 chimneys blown down, 3 houses destroyed, and 438 trees up-rooted.

In NIHONBASHI, a woman named Otsuru Suzuki was walking along the Hamacho shore of the Sumida River in the stormy morning when no less a a missile than a house flew against her, and naturally caused her to faint. The police brought her to her senses but, owing to the hard blow on the head she had received, she was unable to walk. The wall of the Asakusabashi Post Office and the tobacco advertisement boards erected there fell upon the roof of a neighbouring house and greatly damaged it. In this ward 54 houses were damaged, 28 houses and stores destroyed; 28 telephone wires and 5 electric light wires, were broken; 13 gas lights and 8 street lamp posts blown down, and 107 trees uprooted.

In FUKAGAWA, the Hiraiwa factory in Samecho and a house in No. 2. lot of Suzaki were destroyed, and the roof of the Fukagawa Theatre was carried away by the wind. The wooden fence of the Mitsui godown was greatly damaged. The chimney, 75 feet high, of the Yamasan Confectionary Factory broke from its base. Besides, 2 houses were destroyed, 174 houses damaged, 11 chimneys broken, 1,255 houses flooded, and four men injured.

In Shinsenza of SHIBA, 58 houses were flooded, and the Shinsenza bridge destroyed at 10 a.m. The wall, 90 yards in length, of the Takanawa Palace were entirely destroyed. In the Meiji Gakuin, a dining hall and a store were destroyed and the residence of Mr. Fulton was greatly damaged. The wooden fence of Marquis Ito's residence near Shiba Park was blown away. At the Kanasugi bridge, three vessels, which were used as permanent habitation by the sailors' families, were in great danger from the rough wave and invading water. One of them sank at last but the crew were saved by the people of the neighbourhood. The roof of the Taikokwan Hotel at Shibahama was entirely carried away and the wall surrounding the house destroyed. The number of trees uprooted in Shiba is very great. Two large buildings of the Toyo Electric Car Company were also destroyed.

The 3rd Higher Girls' School, now in process of construction in Azabu and two other houses were entirely destroyed, 72 houses damaged, and 2 telephone posts, 2 telegraph posts, and 92 trees uprooted.

In the Uyeno Park of Shitaya, the uprooted trees were innumerable, two houses were blown down, and the houses in Ryusenjicho, Kuromoncho, Kashimachi, and Inaricho were flooded.

When the southerly wind was at its strongest a large tree in the Yushima Shrine of HONGO fell upon the large wreathed torii and broke it in two. The torii fell upon the ground with a tremendous crash, but no person was injured. 47 houses were damaged, 85 houses flooded, and 86 trees uprooted.

In KANDA, a house in the corner of Mitoshirocho was destroyed. In the open ground by the Megurabashi 10 trees were blown down. In all, 4 houses were destroyed, 134 houses damaged, and 112 trees uprooted.

In YOTSUYA, the chimney, 60 feet high, of the public bath at No. 8, Tsunamachi, fell down, but there was no serious damage caused by the fall. 40 houses were damaged, and three electric light, 2 telephone posts and 20 trees were uprooted by the wind.

SHINAGAWA, sustained serious damages from the storm. 96 telephone wires were broken so that practically there was no connection available on Sunday evening. As the two posts of the electric light Company had been uprooted on the evening, the city of Shinagawa had a very dark night of it on Sunday. Along the sea coast several houses and many jetties were destroyed. The houses that were destroyed numbered 53, and the trees uprooted, 63.

According to the investigations of the Tokyo Water Police, done up to 7 a.m. on Monday, the total number of the capsized boats, sampans, junks, etc. are 103. 7 persons had been rescued out of the water by the hands of the water policemen. 12 sailors are still missing.

YOKOHAMA.

The gale also wrought havoc in Yokohama. A furious north-easterly gale which might have been considered as a regular typhoon judged from its tremendous force and velocity raged at the port in the morning and the forenoon of Sunday. A wave some 10 feet in height, reared its huge crest and came bearing down on the Bund, washing away the greater part of the stone embankment along the new reclaimed ground of the Harbour Office and inflicting damage on innumerable boats and sampans. The Custom pier was damaged in several places, 7 of the bollards were bent and the N.D.L's. steamer *Preussen* which happened to be moored alongside the pier was blown off from the pier and exposed at one time to great danger of running aground. Happily no considerable damage is reported, up to this time, to have been done to any of the steamers in the harbour. At Nishitobe in the the port the roof of a house was entirely carried away. A house at Hiranuma-cho Shichome fell down with a tremendous noise in the street and a man was crushed to death by the falling timbers. The sendo of a junk at anchor in Minato-machi Gochome fell overboard, but was saved, however, from drowning by a policeman. The N.Y.K.'s tug launch *Aoi Maru* was capsized off the breakwater. Her captain and engineer are supposed to have perished in the water. The total number of wrecks of the boats of various descriptions in the harbour are said to be 7; the number of those damaged 31. The number of casualties to life is, however, not yet reported. The list of damages inflicted on the walls and surroundings of houses in Yokohama comprises the wall of the explosives' magazine at Ishikawa Nakamachi, which has been damaged to the extent of 16 *ken*, that of the Gyokusenji Temple, 40 *ken*, that of the Manji Hospital, 30 *ken*, that of the "Yoshiwara" at Eirakucho, 116 *ken*, etc.

The platform roof of the Yokohama station has also been injured. At Kanagawa a building of the agricultural experimental station was partially destroyed and a big iron chimney of a tobacco factory at Asamacho was demolished. A shed for storing goods in the premises of the Hodogaya station was completely destroyed.

KOHZU AND THE VICINITY.

The worst of the damage caused by Sunday's typhoon occurred at Kohzu and the vicinity. Up to the time of writing this note, no definite report has reached us as to the total number of deaths. We fear that those deaths may have numbered several hundred, for the greater part of the village of Koyawata, situated not far from Kohzu, is reported to have been washed away, and that village contained about 200 families. A squad of the Kanagawa Police led by the chief was hastily despatched to the rescue, but owing to the communications having been obstructed by the sea, those Police cannot proceed to the scene of the disaster.

Many appalling incidents are reported in connection with the tidal wave catastrophe. The neighbourhood of that well-known restaurant and sanitarium, Shoh-toh-en, situated midway between Kohzu and Odawara has been converted into a pond of sea-water. When the monster waves came rushing on a number of boys of about 15 or 16, climbed up the pine trees that were standing along the highway. Even these retreats proved unavailing, for the waves that came on one after another finally laid prostrate those trees, and they were big ones as those who have ever visited that district may remember, and on their prostration the unfortunate lads that were clinging to them were carried away by the waves and lost.

One house in Kohzu with its four inmates was bodily washed away. The master, a fisherman, swam to the shore and was saved, but his wife and three children were carried off to sea. They were seen clinging to the top of the house, but the people on shore could do nothing for them.

On the other hand there were cases of miraculous escapes, besides that of Baron Ohtori of which an account is given below. A couple who were in the second storey of a house in Kohzu were carried away to the sea, house and all; and the two were saved. One man drifted to a big tree in the yard of the Baron's villa. He clambered to the top of the tree, which was standing, as it were, in the middle of the sea, for all the places in the neighbourhood been converted into a sheet of water and was seen crying for help from his lofty perch, but none had gone to his rescue at the time the owner of the tree had left Kohzu for Tokyo, the waves still continuing to come on, though in a less fearful manner than before. That lucky survivor must have been rescued ere this.

The present tidal disaster at Kohzu is said to have been the first known during the last 26 years, for 26 years ago a disaster of a similar character visited that place.

BARON OH-TORI'S NARROW ESCAPE.

As mentioned in our extra issued yesterday, Baron Oh-tori, Privy Councillor, had a narrow escape from the tidal wave that visited Kohzu and the neighbouring coast. The Baron has been staying in his villa in that fashionable sea shore resort. It was a strongly built house with a stone fence around, but the site was rather low, so that it easily fell a victim to the devouring waves. The old gentleman returned home in the evening of Sunday, and was soon interviewed by a number of newspaper reporters.

"I was taking an early lunch at about 11," said the Baron to one of the

interviewers, "but I could not go on with composure, as the surrounding scene had grown so menacing. I went to the seaward room, and took a peep at the sea through a glass window. The glance revealed a dreadful sight, for a huge wave was rapidly coming on with a horrible noise. I had no time to escape or indeed do anything. The only thing I remember is that the instant I heard a strange crackling sound I was wrapped in utter darkness and that the ceiling of the house came over me. All this happened in less time than I occupy in telling this story. I thought I was done for, but happily I found that my conclusion was premature, for when I tried to move both hands they moved without trouble or pain. Then I shook my body, and I could do so also without trouble or pain. I looked above, and noticed a small crevice between the timbers, and over which waves were washing. The moment the waves receded I forced myself through that hole, and found a number of men hurrying about the debris crying. 'where is the master? where is the master?' When I half protruded my body out of the hole, therefore, they lost no time in coming to my rescue and in dragging me out. Thus I had a narrow escape with only some slight bruises here and there, and am none the worse for a complete wetting in seawater."

But the maid in the villa was carried away by the waves and drowned; she had been in the kitchen at that moment, and her remains were found at the foot of a big tree in the yard.

IN THE PROVINCES.

The official telegrams regarding the damages done in Sunday's typhoon, so far reported, are as follows:—

Tottori, Sept. 28.—Storm is raging since last night. About 10 bridges in Tokaku districts have been washed away, thus interrupting the traffic. Many houses at Tottori city were flooded.

Shizuoka, Sept. 28.—Tidal waves inundated at the coast between Atami and Inatori. 7 boats were carried away by the waves. 6 houses were completely destroyed and 19 others partially. One person was drowned and 42 others more or less wounded.

Akita, Sept. 28.—Many houses here were demolished and about 10 fishing boats with all hands on board are missing.

Tochigi, Sept. 28.—2 men were crushed to death at Utsunomiya. The buildings of the normal school, and the local tax office were partially destroyed. Some persons were wounded.

Gumma, Sept. 29.—The Watarase river and the Kiryu river are rising. Many houses on the embankments have been inundated, some completely destroyed. Some casualties to life are also reported.

In Ibaraki-ken, the damages were extremely severe, 250 houses were entirely destroyed, 300 houses damaged, 75 persons killed or injured, and 30 vessels in the Tone River wrecked. In the Tottemachi, the river overflowed, and the Totte Revenue Office, which had been blown down, was destroyed by an accidental fire.

On Monday the Odawara Prison authorities removed the convicts to an epidemic hospital as the water in the prison was six feet deep. During the removal a convict disappeared. Perhaps he escaped.

RAILWAY INTERRUPTION.

The official telegrams received at the Railway Bureau on interruption of the railway traffic caused by the disastrous storm on Sunday are, so far reported, as follows:—

Chiba, Sept. 28.—A passenger train was upset near Fusa on the Abiko line on Sunday morning. 60 passengers were more or less wounded. Towards noon the same day, a goods train of the Nippon Railway was derailed near Totte. Happily no lives were lost.

The Jobu Railway.—The traffic between Omayu and Hara was suspended owing to a flood on the Arakawa river.

The Gan-etsu Railway—The entire line was damaged.

The Nippon Railway—A passenger train was derailed near the Oyama station. 11 persons were more or less wounded. The traffic between Omama and Kiryu on the Ryomo line, that between Yuki and Kawashima (6 miles) on the coast line and that between Tsuchiura and Kamidate (42 miles and 40 chains) have been interrupted on account of damages to the lines.

The Government Shin-etsu Railway—On Sunday morning, a train was derailed at Karuizawa Station. Happily no lives were lost. Repairs were immediately executed to the damaged part of the line and two hours after the accident, the line was entirely cleared of the debris.

The Chuo Railway.—The eastern entrance of No. 3 tunnel at Obuchido was destroyed and the traffic between Yose and Uenohara has been supended.

The Hokkaido Colliery Railway.—An inundation has done damage to the Yubari line.

The Government Hokuriku Railway.—An embankment between Tsuruga and Sugitsu has been damaged to the extent of two chains. Traffic has had to be suspended for a while.

OBSERVATORY REPORT.

The barometric depression recorded the lowest reading on Sunday since the establishment of the observatory here, having been 721 m.m. between seven and nine o'clock when the centre of depression came over the city. In other words, the reading was .6 m.m. lower than that on October 7th, 1899, and 1.4 m.m. lower than that recorded on October 4th, 1879.

The depression first made its appearance on the 25th in the vicinity of Okinawa. At about 2 p.m. on the 27th the depression travelled to the vicinity of, judging from the rough chart issued by the observatory, Minami Torijima, and at 6 a.m. on the following day a lull was prevailing a little off Tokyo Bay, so that at that hour the wind was gradually increasing in strength in the city, and was blowing at the velocity of 11.1 metres per minute. Judging from the fact that the observatory situated at the extremity of Awa reported the depression of 729.9 m.m. at 7 a.m., and that the barometer indicated 728.9 m.m. at Kumagaye at 9 a.m., it is evident that the centre passed right over the city and travelled northward, till it emerged on the Japan Sea. Below is a table showing the atmospheric condition in Tokyo:—

	Depression m.m.	Velocity metres	Rain m.m.
1 a.m	754.2	2.8	0 4
2 „	753.3	2.8	0
3 „	751.8	4.4	0
4 „	750.5	4.5	0
5 „	748.7	6.6	0 2
6 „	745 2	11 1	3.5
7 „	741.5	13.9	9.0
8 „	731.1	14.7	18.4
9 „	728.1	24 9	24 1
10 „	7 4.0	23.9	16.8
11 „	740.1	19.8	3.3
12 „	742.7	3[illegible].9	0.1

Subsequently the barometer began to rise, and the wind to lessen its velocity, though it kept up a speed of 15 to 17.4 metres till 9 in the evening. As to direction, the wind at first blew in a north-westerly direction, then veered round to the north-east, south, south south-west, and finally south, in which direction it continued to blow.

Owing to telegraphic interruptions, the observatory could not make any definite forecast on Sunday, but according to fragmentary reports that reached it, another depression appeared off the coast of Kishu, a reading as low as 730 m.m. being recorded there. Probably that explained the visit of a storm to Tokyo after seven o'clock.

The recent typhoon has also wrought havoc in the Nikko districts. The water of the Daiya river has risen to the height of about 30 feet, a height record not reached, it is said, for the last 300 years. Its relentless onrush has entirely destroyed the famous Red Bridge together with other bridges connecting the town with Irimachi Demachi (the grounds of Sanctuary), thus quite cutting off communications. The destruction done on the gorges is terrible. About 150 buildings including the Futamiya Hotel, the Gamman temple, the Dainichido temple and the Tachiki temple and many others were carried away by the rushing flood. About 50 persons perished. In Kanuma, 60 houses including the town office and the school were completely destroyed and 14 persons were killed. There were also disastrous landslips on the Ashio copper mine burying the greater part of the town. As to the loss of lives, no report is yet arrived. In villages near Shimogawara, not far from the Inari station, some 50 houses with about 30 inhabitants were entirely carried away by the inundation.

THE TIDAL WAVE DISASTERS.

Authentic statistics of the damages caused by the tidal wave of Sunday says:—

In Sakawa, 25 persons were killed by the tidal wave. In Kodzu, 15 persons were killed, 39 houses destroyed, 49 carried away, 21 damaged, and 68 flooded. In Odawara, 12 persons were killed, and about 30 are missing. In the villages along the highway to Atami, 10 persons were killed, 117 houses destroyed, 84 houses washed away, 12 sailing ships wrecked, about 190 boats wrecked, and all the houses damaged more or less. Thus the wave caused 62 deaths, and the disappearance of 30 persons.

Enclosure with Jap. Minister's No. 691
of Oct 9, 1902

SUNDAY'S TYPHOON.

IN THE CITY.

On Sunday morning, the people of Tokyo woke to a tremendous day of storm. The damages in the city were as follows:—

In KOJIMACHI, the buildings were generally large ones and they consequently came out of the storm, generally speaking, intact. But Chatre's circus tent was entirely destroyed. Between 6 and 7 a.m., all the canvas of the enormous tent had been literally torn into pieces, and at the same time, the beams and pillars were broken. From amid the debris, the astonished troupe removed the dangerous managerie to a safer place towards Kyobashi. But the elephants and some other wild animals, that were not liable to be scared by rain and storm, were left standing amid the debris. In the neighbourhood, the wooden walls of the Kajibashi prison were destroyed, and the convicts, with their warders, were engaged in the work of repairs in the afternoon. The walls of the following buildings were destroyed: — The Educational Office, Financial Office, Telephone Exchange, Gendarmery Headquarters, Barracks of Mounted Guards, Prince Shimazu's, Mexican Legation, the Premier's, etc. A postman named U. Yoshiwara of the Iidamachi Post Office was passing the street in front of No. 14, Iidamachi Gochome, at 8 a.m. when a tile hit him on the left brow inflicting a severe cut. An employee named Hayashi of the Red Cross Society at Iidamachi Sanchome was making a passage for the water that had flowed into the grounds of the Society from the steep above it at 9.30 a.m. when the hillock slid down upon his head and the man was almost entirely buried under ground. Happily he was unearthed by the neighbours.

In AKASAKA, the walls of the U.S. Legation, of Prince Komatsu's, and of 187 other houses, were destroyed, 12 telephone connections were broken, and 98 houses flooded.

The most severe damages were done in HONJO. The chimney, 72 feet high, of the Hiraoka Iron Works broke from its base, smashed the factory, and greatly damaged three other factories. Happily there was no casualty to life or limb. The big book-binding factory of the Bungakusha in Futabacho, the Uyeda Dyeing factory in Yokoamicho, the Iwaki Glass Godown in Kikugawacho, the chimney of the Hirota coke manufactory, and freight office of the Tobu Railway's Nakanogo Station were completely destroyed. When a house in Nakanogo collapsed, it destroyed a neighbouring house, and almost killed a woman and her son who were in it. They were, however, saved from death by being dragged out from the debris. The ward being a somewhat low-lying part in the city, about 2,000 houses were flooded by the overflowing of a rivulet called the Yokokawa. Three telegraph wires and 77 telephone wires were cut, 654 walls destroyed, 25 chimneys blown down, and one ship sunk. Another ship is missing.

In USHIGOME, a great panic was created in Waseda. A newly built boarding house in front of the Waseda University was destroyed. It was a two-storeyed rectangular house, 30 yards by 6 yards, and was literally blown to pieces. There were five students, still sleeping at the time in the house and two of them were seriously injured. The students of the Waseda University were all engaged for some time in dragging these students from under the debris. Two maid servants in the house sustained serious injuries in the breast. Almost all the walls along the streets of Ichigaya, Yamabukicho, Tanimachi, Shirokanecho, Takajomachi, Babashitacho, and the walls of the Central Military Preparatory School were destroyed. Besides, 550 houses were flooded, 5 houses destroyed, 2 chimneys broken, two telephone wires broken and 171 trees uprooted.

In KYOBASHI, the Jiso temple in the West Honganji compounds in Tsukiji was destroyed. An old couple who inhabited the temple were buried under the debris, and the wife was injured seriously. The buildings that were entirely destroyed were the Central Commercial School at Echizenbori, the Tsukishima Iron Pipe Factory, the Tsukishima Sugar Refining Factory, and a tenement house inhabited by 94 people in Higashi Nakadori of Tsukishima, and the Tsukiji Branch Post Office. The roofs of the Kabuki Theatre and of the Shintomi Theatre were damaged. The eagle on the top of the five storeyed Tengu Tobacco Factory at Kobikicho Nichome was carried away by the blast and the factory itself suffered somewhat. The dyke in the shore of the Shintsukudajima was damaged to the extent of 120 yards. Besides, 141 telephone wires and 7 electric light wires were broken, 21 lamp posts broken, 154 walls destroyed, and 171 trees uprooted.

Rather serious accidents occurred in ASAKUSA during the storm. The Ikubun Middle School in Morishita-cho, which had just been built and in which a general autumnal meeting was to be held on Sunday, collapsed. A keeper narrowly escaped being crushed under the roof by running out of the premises just the moment when the edifice came down. A large *Keyaki* (*Zelkowa acuminata*) tree in the graveyard of the Keiyo-ji temple was uprooted and fell across the Sanyabori ditch with a tremendous crash. Just in the ditch a boat manned by a couple, Mr. and Mrs. H. Morita, was struggling with the maddening torrent, when the tree fell upon it. The boat sank and the man and his wife fainted, though afterwards they recovered. A police box in the vicinity had its window-panes broken and the policeman was obliged to stand out in the rain. Besides, four persons were injured, 33 telephone wires and an electric light wire broken, 14 vessels wrecked, 13 chimneys blown down, 3 houses destroyed, and 438 trees up-rooted.

In NIHOMBASHI, a woman named Otsuru Suzuki was walking along the Hamacho shore of the Sumida River in the stormy morning when no less a a missile than a house flew against her, and naturally caused her to faint. The police brought her to her senses but, owing to the hard blow on the head she had received, she was unable to walk. The wall of the Asakusabashi Post Office and the tobacco advertisement boards erected there fell upon the roof of a neighbouring house and greatly damaged it. In this ward 54 houses were damaged, 28 houses and stores destroyed; 28 telephone wires and 5 electric light wires, were broken; 13 gas lights and 8 street lamp posts blown down, and 107 trees uprooted.

In FUKAGAWA, the Hiraiwa factory in Samecho and a house in No. 2. lot of Suzaki were destroyed, and the roof of the Fukagawa Theatre was carried away by the wind. The wooden fence of the Mitsui godown was greatly damaged. The chimney, 75 feet high, of the Yamasan Confectionary Factory broke from its base. Besides, 2 houses were destroyed, 174 houses damaged, 11 chimneys broken, 1,255 houses flooded, and four men injured.

In Shinsenza of SHIBA, 58 houses were flooded, and the Shinsenza bridge destroyed at 10 a.m. The wall, 90 yards in length, of the Takanawa Palace were entirely destroyed. In the Meiji Gakuin, a dining hall and a store were destroyed and the residence of Mr. Fulton was greatly damaged. The wooden fence of Marquis Ito's residence near Shiba Park was blown away. At the Kanasugi bridge, three vessels, which were used as permanent habitation by the sailors' families, were in great danger from the rough wave and invading water. One of them sank at last but the crew were saved by the people of the neighbourhood. The roof of the Taikokwan Hotel at Shibahama was entirely carried away and the wall surrounding the house destroyed. The number of trees uprooted in Shiba is very great. Two large buildings in the Toyo Electric Car Company were also destroyed.

The 3rd Higher Girls' School, now in process of construction in Azabu and two other houses were entirely destroyed, 72 houses damaged, and 2 telephone posts, 2 telegraph posts, and 92 trees uprooted.

In the Uyeno Park of Shitaya, the uprooted trees were innumerable, two houses were blown down, and the houses in Ryusenjicho, Kuromoncho, Kachimachi, and Inaricho were flooded.

When the southerly wind was at its strongest a large tree in the Yushima Shrine of HONGO fell upon the large wreathed torii and broke it in two. The torii fell upon the ground with a tremendous crash, but no person was injured. 47 houses were damaged, 85 houses flooded, and 86 trees uprooted.

In KANDA, a house in the corner of Mitoshirocho was destroyed. In the open ground by the Meganebashi 16 trees were blown down. In all, 4 houses were destroyed, 134 houses damaged, and 112 trees uprooted.

In YOTSUYA, the chimney, 50 feet high, of the public bath at No. 3, Tansumachi, fell down, but there was no serious damage caused by the fall. 65 houses were damaged, and three electric light, 2 telephone posts and 90 trees were uprooted by the wind.

SHINAGAWA, sustained serious damages from the storm. 96 telephone wires were broken so that practically there was no connection available on Sunday evening. As the two posts of the electric light Company had been uprooted on the evening, the city of Shinagawa had a very dark night of it on Sunday. Along the sea coast several houses and many jetties were destroyed. The houses that were destroyed numbered 53, and the trees uprooted, 63.

According to the investigations of the Tokyo Water Police, done up to 7 a.m. on Monday, the total number of the capsized boats, sampans, junks, etc. are 103. 7 persons had been rescued out of the water by the hands of the water policemen. 12 sailors are still missing.

YOKOHAMA.

The gale also wrought havoc in Yokohama. A furious north-easterly gale which might have been considered as a regular typhoon judged from its tremendous force and velocity raged at the port in the morning and the forenoon of Sunday. A wave some 10 feet in height, reared its huge crest and came bearing down on the Bund, washing away the greater part of the stone embankment along the new reclaimed ground of the Harbour Office and inflicting damage on innumerable boats and sampans. The Custom pier was damaged in several places, 7 of the bollards were bent and the N.D.L's. steamer *Preussen* which happened to be moored alongside the pier was blown off from the pier and exposed at one time to great danger of running aground. Happily no considerable damage is reported, up to this time, to have been done to any of the steamers in the harbour. At Nishitobe in the the port the roof of a house was entirely carried away. A house at Hiranuma-cho Shichome fell down with a tremendous noise in the street and a man was crushed to death by the falling timbers. The sendo of a junk at anchor in Minato-machi Gochome fell overboard, but was saved, however, from drowning by a policeman. The N.Y.K.'s tug launch *Aoi Maru* was capsized off the breakwater. Her captain and engineer are supposed to have perished in the water. The total number of wrecks of the boats of various descriptions in the harbour are said to be 7; the number of those damaged 31. The number of casualties to life is, however, not yet reported. The list of damages inflicted on the walls and surroundings of houses in Yokohama comprises the wall of the explosives' magazine at Ishikawa Nakamachi, which has been damaged to the extent of 16 *ken*, that of the Gyokusenji Temple, 40 *ken*, that of the Manji Hospital, 30 *ken*, that of the "Yoshiwara" at Eirakucho, 116 *ken*, etc.

The platform roof of the Yokohama station has also been injured. At Kanagawa a building of the agricultural experimental station was partially destroyed and a big iron chimney of a tobacco factory at Asamacho was demolished. A shed for storing goods in the premises of the Hodogaya station was completely destroyed.

KOHZU AND THE VICINITY.

The worst of the damage caused by Sunday's typhoon occurred at Kohzu and the vicinity. Up to the time of writing this note, no definite report has reached us as to the total number of deaths. We fear that those deaths may have numbered several hundred, for the greater part of the village of Koyawata, situated not far from Kohzu, is reported to have been washed away, and that village contained about 200 families. A squad of the Kanagawa Police led by the chief was hastily despatched to the rescue, but owing to the communications having been obstructed by the sea, those Police cannot proceed to the scene of the disaster.

Many appalling incidents are reported in connection with the tidal wave catastrophe. The neighbourhood of that well-known restaurant and sanitarium, Shoh-toh-en, situated midway between Kohzu and Odawara has been converted into a pond of sea-water. When the monster waves came rushing on a number of boys of about 15 or 16, climbed up the pine trees that were standing along the highway. Even these retreats proved unavailing, for the waves that came on one after another finally laid prostrate those trees, and they were big ones as those who have ever visited that district may remember, and on their prostration the unfortunate lads that were clinging to them were carried away by the waves and lost.

One house in Kohzu with its four inmates was bodily washed away. The master, a fisherman, swam to the shore and was saved, but his wife and three children were carried off to sea. They were seen clinging to the top of the house, but the people on shore could do nothing for them.

On the other hand there were cases of miraculous escapes, besides that of Baron Ohtori of which an account is given below. A couple who were in the second storey of a house in Kohzu were carried away to the sea, house and all; and the two were saved. One man drifted to a big tree in the yard of the Baron's villa. He clambered to the top of the tree, which was standing, as it were, in the middle of the sea, for all the places in the neighbourhood been converted into a sheet of water and was seen crying for help from his lofty perch, but none had gone to his rescue at the time the owner of the tree had left Kohzu for Tokyo, the waves still continuing to come on, though in a less fearful manner than before. That lucky survivor must have been rescued ere this.

The present tidal disaster at Kohzu is said to have been the first known during the last 26 years, for 26 years ago a disaster of a similar character visited that place.

BARON OH-TORI'S NARROW ESCAPE.

As mentioned in our extra issued yesterday, Baron Oh-tori, Privy Councillor, had a narrow escape from the tidal wave that visited Kohzu and the neighbouring coast. The Baron has been staying in his villa in that fashionable sea shore resort. It was a strongly built house with a stone fence around, but the site was rather low, so that it easily fell a victim to the devouring waves. The old gentleman returned home in the evening of Sunday, and was soon interviewed by a number of newspaper reporters.

"I was taking an early lunch at about 11," said the Baron to one of the

interviewers, "but I could not go on with composure, as the surrounding scene had grown so menacing. I went to the seaward room, and took a peep at the sea through a glass window. The glance revealed a dreadful sight, for a huge wave was rapidly coming on with a horrible noise. I had no time to escape or indeed do anything. The only thing I remember is that the instant I heard a strange crackling sound I was wrapped in utter darkness and that the ceiling of the house came over me. All this happened in less time than I occupy in telling this story. I thought I was done for, but happily I found that my conclusion was premature, for when I tried to move both hands they moved without trouble or pain. Then I shook my body, and I could do so also without trouble or pain. I looked above, and noticed a small crevice between the timbers, and over which waves were washing. The moment the waves receded I forced myself through that hole, and found a number of men hurrying about the debris crying. "where is the master? where is the master?' When I half protruded my body out of the hole, therefore, they lost no time in coming to my rescue and in dragging me out. Thus I had a narrow escape with only some slight bruises here and there, and am none the worse for a complete wetting in seawater."

But the maid in the villa was carried away by the waves and drowned; she had been in the kitchen at that moment, and her remains were found at the foot of a big tree in the yard.

IN THE PROVINCES.

The official telegrams regarding the damages done in Sunday's typhoon, so far reported, are as follows:—

Tottori, Sept. 28.—Storm is raging since last night. About 10 bridges in Tokaku districts have been washed away, thus interrupting the traffic. Many houses at Tottori city were flooded.

Shizuoka, Sept. 28.—Tidal waves inundated at the coast between Atami and Inatori. 7 boats were carried away by the waves. 6 houses were completely destroyed and 19 others partially. One person was drowned and 42 others more or less wounded.

Akita, Sept. 28.—Many houses here were demolished and about 10 fishing boats with all hands on board are missing.

Tochigi, Sept. 28.—2 men were crushed to death at Utsunomiya. The buildings of the normal school, and the local tax office were partially destroyed. Some persons were wounded.

Gumma, Sept. 29.—The Watarase river and the Kiryu river are rising. Many houses on the embankments have been inundated, some completely destroyed. Some casualties to life are also reported.

In Ibaraki-ken, the damages were extremely severe, 250 houses were entirely destroyed, 300 houses damaged, 75 persons killed or injured, and 30 vessels in the Tone River wrecked. In the Tottemachi, the river overflowed, and the Totte Revenue Office, which had been blown down, was destroyed by an accidental fire.

On Monday the Odawara Prison authorities removed the convicts to an epidemic hospital as the water in the prison was six feet deep. During the removal a convict disappeared. Perhaps he escaped.

RAILWAY INTERRUPTION.

The official telegrams received at the Railway Bureau on interruption of the railway traffic caused by the disastrous storm on Sunday are, so far reported, as follows:—

Chiba, Sept. 28.—A passenger train was upset near Fusa on the Abiko line on Sunday morning. 60 passengers were more or less wounded. Towards noon the same day, a goods train of the Nippon Railway was derailed near Totte. Happily no lives were lost.

The Jobu Railway.—The traffic between Omayu and Hara was suspended owing to a flood on the Arakawa river.

The Gan-etsu Railway—The entire line was damaged.

The Nippon Railway—A passenger train was derailed near the Oyama station. 11 persons were more or less wounded. The traffic between Omama and Kiryu on the Ryomo line, that between Yuki and Kawashima (6 miles) on the coast line and that between Tsuchiura and Kamidate (42 miles and 40 chains) have been interrupted on account of damages to the lines.

The Government Shin-etsu Railway—On Sunday morning, a train was derailed at Karuizawa Station. Happily no lives were lost. Repairs were immediately executed to the damaged part of the line and two hours after the accident, the line was entirely cleared of the debris.

The Chuo Railway.—The eastern entrance of No. 3 tunnel at Obuchido was destroyed and the traffic between Yose and Uenohara has been supended.

The Hokkaido Colliery Railway.—An inundation has done damage to the Yubari line.

The Government Hokuriku Railway.—An embankment between Tsuruga and Sugitsu has been damaged to the extent of two chains. Traffic has had to be suspended for a while.

OBSERVATORY REPORT.

The barometric depression recorded the lowest reading on Sunday since the establishment of the observatory here, having been 721 m.m. between seven and nine o'clock when the centre of depression came over the city. In other words, the reading was .6 m.m. lower than that on October 7th, 1899, and 1.4 m.m. lower than that recorded on October 4th, 1879.

The depression first made its appearance on the 25th in the vicinity of Okinawa. At about 2 p.m. on the 27th the depression travelled to the vicinity of, judging from the rough chart issued by the observatory, Minami Torijima, and at 6 a.m. on the following day a lull was prevailing a little off Tokyo Bay, so that at that hour the wind was gradually increasing in strength in the city, and was blowing at the velocity of 11.1 metres per minute. Judging from the fact that the observatory situated at the extremity of Awa reported the depression of 729.9 m.m. at 7 a.m., and that the barometer indicated 728.9 m.m. at Kumagaye at 9 a.m., it is evident that the centre passed right over the city and travelled northward, till it emerged on the Japan Sea. Below is a table showing the atmospheric condition in Tokyo:—

	Depression m.m.	Velocity metres.	Rain m.m.
1 a.m.	754.2	2.8	0.4
2 „	753.3	2.8	0
3 „	751.8	4.4	0
4 „	750.5	4.5	0
5 „	748.7	6.6	0.2
6 „	745.2	11.1	3.5
7 „	741.5	13.9	9.0
8 „	731.1	15.7	18.4
9 „	720.1	24.0	24.1
10 „	7 4.0	23.9	16.8
11 „	740.1	15.5	3.3
12 „	742.7	3.0	0.1

Subsequently the barometer began to rise, and the wind to lessen its velocity, though it kept up a speed of 15 to 17.4 metres till 9 in the evening. As to direction, the wind at first blew in a north-westerly direction, then veered round to the north-east, south, south south-west, and finally south, in which direction it continued to blow.

Owing to telegraphic interruptions, the observatory could not make any definite forecast on Sunday, but according to fragmentary reports that reached it, another depression appeared off the coast of Kishu, a reading as low as 730 m.m. being recorded there. Probably that explained the visit of a storm to Tokyo after seven o'clock.

The recent typhoon has also wrought havoc in the Nikko districts. The water of the Daiya river has risen to the height of about 30 feet, a height record not reached, it is said, for the last 300 years. Its relentless onrush has entirely destroyed the famous Red Bridge together with other bridges connecting the town with Irimachi Demachi (the grounds of Sanctuary), thus quite cutting off communications. The destruction done on the gorges is terrible. About 150 buildings including the Futamiya Hotel, the Gamman temple, the Dainichido temple and the Tachiki temple and many others were carried away by the rushing flood. About 50 persons perished. In Kanuma, 60 houses including the town office and the school were completely destroyed and 14 persons were killed. There were also disastrous landslips on the Ashio copper mine burying the greater part of the town. As to the loss of lives, no report is yet arrived. In villages near Shimogawara, not far from the Inari station, some 50 houses with about 30 inhabitants were entirely carried away by the inundation.

THE TIDAL WAVE DISASTERS.

Authentic statistics of the damages caused by the tidal wave of Sunday says:—

In Sakawa, 25 persons were killed by the tidal wave. In Kodzu, 15 persons were killed, 39 houses destroyed, 49 carried away, 21 damaged, and 68 flooded. In Odawara, 12 persons were killed, and about 30 are missing. In the villages along the highway to Atami, 10 persons were killed, 117 houses destroyed, 84 houses washed away, 12 sailing ships wrecked, about 190 boats wrecked, and all the houses damaged more or less. Thus the wave caused 62 deaths, and the disappearance of 30 persons.

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
OCT 31 1902
BUREAU.

No. #

October 10, 1902.

INDEX BUREAU
REC'D.
OCT
31
1902
DEPT OF STATE

Ans Nov. 1
file

Sent Rolls & Rec'd in Bureau 10/31

Mr. Buck ,

to the Secretary of State.

Ans Nov 1 1902 Treaty Text Page Do Crime Mr Smith Delivering Also to him

ROLLS & LIBRARY
OCT 31 1902
Department of State
BUREAU U.
DIPLOMATIC
OCT 31 1902

Subject:

Request for latest edition of treaties of the United States with other powers.

UNITED STATES LEGATION.
TOKIO.

No. #

October 10, 1902.

To the Honorable John Hay,

Secretary of State,

Washington, D. C.

Sir:

As the latest edition of the book of treaties of the United States with other powers at this Legation is that of 1873, I have the honor to request that the Legation be supplied with the last edition.

I have the honor to be,

Sir,

Your obedient servant,

A. E. Buck

DEP'T OF STATE
OCT
13
1902
ASST SECRETARY

DIPLOMATIC BUREAU
Copy to Atty Genl. referring to his letter of Oct 6. '02.
Confirm.

DIPLOMATIC
13 1902
BUREAU.

TELEGRAM RECEIVED IN CIPHER.

From TOKIO,

October 13, 1902.

Received 7:30 a. m.

Secretary of State,

Washington.

10 Atty Gen Oct 13

Court Oct 17

Deputy Consul-General McLane may be expected at Washington, D. C., about November 8th.

B U C K.

Deciphered by C.C's Office, October 13, 1902.

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
NOV 29 1902
BUREAU.

No. "#

October 16, 1902.

DEPARTMENT OF STATE
2ND SECRETARY

DIPLOMATIC BUREAU --
To Mr. Conger -
Ack + file. Sending
copies of Adv. Sheets.
Thanks
file
S.J.S.

Mr. Buck

to the Secretary of State.

Dec. 3, '02; mailed to Minister Buck 25 copies of Adv. Sheets, No. 1505, of Consular Reports.

PRINTED IN ADVANCE SHEETS NO. 1505

Subject:

Revised tariff schedule.

INDEX BUREAU
DEC

UNITED STATES LEGATION.
TOKIO.

No. #

October 16, 1902.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to enclose herewith in duplicate a corrected translation of a revised tariff schedule, promulgated by Imperial Ordinance on the 29th ultimo, and to take effect on April 1st of next year.

The revision of the schedule has been made in accordance with the provisions of Art. III of the Tariff Law.

I have the honor to be,

Sir,

Your obedient servant,

W. E. Rueck

Enclosures:

Translation of revised tariff schedule in duplicate/

Duplicate.

Enclosure with Mr. Buck's No. 2 of Oct. 16, 1902

SPECIFIC CUSTOMS DUTIES.

By Imperial Ordinance No. 219 the rates of specific duty to be imposed on imports in accordance with Art. III. of the Tariff Law are fixed as follows, the operation of the same being to be put into practice on and after the 1st of April, 1903. Withal we publish here the rates operative at present.

ARMS, AMMUNITIONS CLOCKS, WATCHES, INSTRUMENTS, APPARATUS TOOLS AND MACHINERIES

Descriptions.	Quantities	Old Duty. Yen.	New Duty Yen
Boots	per 100 kin	—	2.187

PROVISIONS

Biscuits,			
a. Sea biscuits	per 1 kin	—	021
b Fancy "	"	—	034
Butter	"	086	099
Cheese	"	044	063
Coffee	"	084	084
Eggs, Fresh	per 1,000 pcs.	1 115	—
Flour	per 100 kin	405	456
Ham and Bacon	per 1 "	065	065
Mutton	per 100 "	1.849	2.187
Condensed Milk	per dozen of 1 pound cans	371	347
Salt { Rough	per 100 kin	683	683
{ Refined	"	1 370	1.768
Salted Fish	"	871	709
Salted Meat, in Casks ...	"	1 292	2.030
Kanten gum or Tokoroten-gues	"	513	890
Artificial Butter	per 1 kin	—	057
Tea	per 1 kin	062	—

CLOTHING AND ACCESSORIES

Undershirts and Drawers, Cotton	per 12 pieces	1.416	1 642
Undershirts and Drawers, Woollen	"	2.843	3 536
Under-shirts, Woollen and Cotton Mixture	"	1 812	2 165

DRUGS, MEDICINES ETC.

~~Boric Acid ... ...~~	~~per 100 kin~~	~~3.038~~	—
Carbolic Acid	per 1 kin	034	049
Salicylic Acid	"	157	073
Tartaric Acid	"	073	065
~~Alcohol ... ...~~	~~" ...~~	~~340~~	—
Alum	per 100 kin	198	227
Antifebrine	per 1 "	—	034
Biyakujutsu	per 100 "	877	1.081
Bismuth, Subnitrate	per 1 "	068	092
Borax (Soda, bichlorate) ...	per 100 "	877	1.135
Camphor	per 1 "	3 7	466
Cassia or Cinnamon Bark...	per 100 "	723	902
" " " Oil ...	per 1 "	202	155
Cetaria, Long of	per 100 "	530	735
Cinchona or Peruvian Bark	"	1 733	2.422
Chinoin or Chinchonine ...	per 1 "	270	—
Cinnabar	"	046	068
Cloves	per 100 "	1. 85	1.872
Cocain, Hydrochlorate of	"	12.918	18.498
Cocoa	"	517	997
Catechor, Catechu and Gambier	per 100 "	827	1 131
Gentian	"	1.344	1.077
Ginseng	per 1 "	—	447
Glycerine	per 1 "	036	035
Gum Arabic	per 100 "	1,207	1.481
Gum Benzoin	"	1 124	1.110
Gum Olibanum	"	560	1.141
Hops	per 1 "	048	092
Iodoform	"	311	432
Ipecac	per 100 "	36.620	67.183
Jalaps	"	.581	4.279
~~Lead, Acetate of (Sugar of) ... ...~~	~~" ...~~	~~1 284~~	—
Liquorice	per 100 kin	933	939
Mao or Mawong	per 100 "	3 3	636
Morphine	per 1 "	4.643	4.654
Musk	per 1 "	—	41—48
Musk, Artificial	per 1 "	—	10.494
Nard or Spike-nard	per 100 "	1.5 0	1.867
~~Phosphor Amorphous ...~~	~~per 1 "~~	~~105~~	—
~~Yellow Phosphorus ...~~	~~per 1-0 "~~	~~12.210~~	—
Potash, Bromide of	per 1 "	093	101
Potash, Iodide of	per 1 "	—	243
~~" Chlorature of ... ...~~	~~per 100 "~~	~~2.301~~	—
Potchuck	per 100 "	1 4 0	1.7 6
Quinine, Hydrochlorate or Sulphate of	per 1 "	—	1.322
Resin	per 100 "	296	344
Rhubarb Root	per 100 "	1.3 7	1.302
Saffron	per 1 "	1,177	1.718
Saltpetre	per 100 "	981	97
Santonin	per 1 "	389	9 4
Sarsaparilla Root	per 100 "	1 681	2.173
Worm-seed or Semen Cinæ	per 100 "	1.522	1.741
Shellac	per 1 "	048	049
Soda Ash	per 100 "	331	394
Soda, Bicarbonate	per 100 "	417	367
" Caustic	per 100 "	434	631
" Crystal or Washing ...	per 100 "	227	4 3
" Salicylic	per 1 "	142	178
Sulphur or Changshaku ...	per 100 "	462	852
Sulphuric	per 100 "	1 870	1.140
Vaseline	per 100 "	1 641	1.641
Wax, or Washing	per 100 "	499	631
Boracic acid	per 100 "	—	1.653
Acetate acid	per 1 "	—	034
Tannin	per 100 "	—	7.423
Ammonia Carbonate	per 100 "	—	2.713
Creosote, Carbonate	per 1 "	—	631
Potassium, Bichromate of ...	per 100 "	—	1,929

Antipyrine " .361

Dyes Colours and Paints

Blue (Chinese, Prussian, etc.)	per	100	kln	6.69	6 231
Cobalt, Oxide of	"			34 628	47 308
Emerald Green	per	1	kln	—	5
Gall Nuts	per	100	kln	1 713	2 892
Gamboge	"			6 804	8 904
Gold Liquids	per	1	kln	—	18 359
Indigo, Dry	per	100	kln	1 [illegible]	21 427
Indigo, Liquids	"			—	7 147
Lead, all Colours	"			1.070	1 347
Logwood Extract of	"			2 [illegible]	4 166
Marigold Bark	"			119	149
Oil Paints	"			1 304	1 418
Safflower	"			—	2 [illegible]
Sparewood	"			233	244
Turmeric	"			3 [illegible]	4 [illegible]
Ultramarine	"			1 [illegible]	1 [illegible]
Varnish	per	1	kln	—	[illegible]
Chinese Varnish	per	100	kln	3 272	4 174
Verdigris	"			2 [illegible]	3 [illegible]
Vermilion	per	1	kln	120	143
Weld or Gum	per	100	kln	5 424	6 172
White Zinc	"			1.230	1 318
Fustic, Extract of	per	1	kln	—	032

Glass, Plate

Glass, window (unsilvered and unstained)	per	100	square foot	490	613
Glass, Plate, silvered or unsilvered	per	"		—	6 [illegible]
Glass, beads, known as verroterie beads	per	100	kln	—	1 778
Glass, broken or powdered	"			—	065

Grains and Seeds

Barley	per	100	kln	101	106
Rice	"			129	137
Sesame	"			197	250
Wheat	"			—	15 [illegible]
Cotton Seeds	"			644	664

Horns, Ivory, Skins, Hair, Shells, etc

Hides or skins, bull, ox, cow, and buffalo (raw, dried, salted, or pickled, and undressed)	per	100	kln	.962	1.174
Hides or skins, deer (raw, dried, salted or pickled and undressed)	"	100	"	1.518	2.121
Hides or skins, camb (raw, dried, salted or pickled and undressed]	"	100	"	.651	1.063
Hoofs	"	100	"	.414	.174
Horns, bull, ox, cow	"	100	"	.504	.454
Horns, deer	"	100	"	.551	.915
Ivory or tusks, elephant	"	1	"	.206	.483
Ivory or tusks, walrus or sea horse	"	1	"	.162	.112
Leather, sole	"	100	"	7.441	10 1 [illegible]
Leather, all other	"	100	"	—	12.700
Indian Red leather	"	100	"	—	6.333
Tortoise Shell :—					
a. Shells and claws	"	1	"	—	1.216
b. All others	"	1	"	—	.122

Metals and Metal Manufactures

Antimony, Ingot and Slab	per	100	kln	—	.[illegible]1
Bar and rod	"	100	"	3.070	3.195
Plate and sheet	"	100	"	3.686	4.749
Pipes and Tubes	"	100	"	—	4.934
Old (only fit for remanufacturing)	"	100	"	.915	.986
Copper :—					
Bar and rod	"	100	"	3.484	5.206
Plate and sheet	"	100	"	3.488	5.155
Nails	"	100	"	3.956	6.010
Pipes and Tubes	"	100	"	—	5.943
Wire	"	100	"	7.496	6.306
Old (only fit for remanufacturing)	"	100	"	.799	1.542
German Silver :—					
Plate, sheet and wire	"	100	"	6 020	7.533
Iron and Mild Steel :—					
Pig and ingot	"	100	"	.083	.113
Bar and rod (of diameter exceeding ¼ of an in.)	"	100	"	.356	.404
Hoop and band	"	100	"	.417	.502
T, angle, and other wrought iron and mild steel	"	100	"	.213	.539
Rails	"	100	"	.297	.384
Dog spikes thereof	"	100	"	—	.346
Fish-plates thereof	"	100	"	—	.471
Sheet and plate (corrugated)	"	100	"		.867
Steel and plate (corrugated excepted)	"	100	"	.853	.459
Galvd. and sheet and plate (plain or corrugated)	"	100	"		.913
Plate, diagonal or chequered	"	100	"	.345	.488
Nails (dog spikes, bolts and nuts, etc., not galvanised)	"	100	"	.575	.583
Tinned plates (plain)	"	100	"	.691	.961
Wire and small rod not exceeding ¼ in. diameter (tinned)	"	100	"	—	.805
Telegraph wire (galvanized)	"	100	"	.591	.8 [illegible]
Wire-rope (galvanized)	"	100	"	1.367	1.280
Wire-rope (not galvanized)	"	100	"	—	1.874
Wire-rope, old (galvanized or otherwise)	"	100	"	.169	.177
Old hoops	"	100	"	.103	.141
Old wire and other iron and mild steel (only fit for remanufacturing)	"	100	"	—	.144
Lead, Pig, ingot and slab	"	100	"	.378	.439
Lead, sheet	"	100	"	.753	.982
Lead, Pipes and Tubes	"	100	"	—	1 148

Mercury	„	100	„	5.6-9 7.618
Nickel	„	100	„	3.529 4.841
Bar and Rod	„	100	„	— 1.029
Sheet and Plate	„	100	„	— .689
Steel (not specified) :—				
Wire not exceeding ¼ inch in diameter	„	100	„	1.819 1.936
Wire (for umbrella ribs trough-shaped)	„	100	„	2.143 2.315
Wire-rope (plain or galvanized)	„	100	„	1.647 2.654
Old wire-rope (only fit for remanufacturing)	„	100	„	.317 .358
Tin, pig and slab	„	100	„	1.992 2.377
Yellow Metal or Muntz Metal :—				
Sheet and plate	„	100	„	3.871 4.047
Rod and bar	„	100	„	2.586 4.244
Zinc :—Spelter, pig and slab	„	100	„	4.41 .507
Sheet (No. 8 excluded)	„	100	„	1.346 1.467
Old sheet and other zinc (only fit for remanufacturing)	„	100	„	.297 .353
Bronze powder	„	100	„	11.244 12.15
Zinc White	„	100	„	— 12.021
Candles, all kinds of	„	100	„	3.522 3.857
Oil, beaus and peas	„	100	„	.741 .914
Oil, castor (in tins, casks and jars)	„	100	„	1.060 1.193
Oil, cocoa nut	„	100	„	1.191 1.337
Oil, ground-nut	„	100	„	1.122 1.293
Oil, linseed (in tins and casks)	„	100	„	1.724 2.302
Oil, olive (in tins and casks)	„	100	„	2.9.9 3.043
Spirit of turpentine (in tins or casks)	„	1 gallon		.076 .106

Paper & Writing Utensils

Inks :—				
Lithographic	„	100	„	— .114
Printing	„	100	„	— .024
Paper printing	„	100	„	1.757 1.539
Card Board Paper	„	100	„	— 1.449

Sugar

Sugar (up to No. 14 in Dutch standard in colour)	„	100	„	.204 .271
Sugar refined :				
a. From No. 15 to No. 20 as indicated in Dutch standard in colour	„	100	„	1.523 1.549
b. Above No. 20 as indicated in Dutch standard in colour	„	100	„	1.828 1.601
Sugar, rock candy	„	100	„	2.212 2.447
Molasses	„	100	„	.157 .191

LINEN YARNS THREADS AND RAW MATERIALS THEREOF

Cotton yarn, plain or dyed	per 100 lbs	6.066	8.130
Bookbinder's cloth	per sq. yard	—	.026
Cotton damask	„	—	.032
Cotton drill, gray and white or bleached	„	.029	.024
Cotton duck	„	.030	.027
Cotton flints	„	.020	.023
Cotton sheeting, cotton bed-tick, cotton Italian, and flannel lining ...	„	.029	.038
Cotton velvet of velveteens	„	.032	.030
Shirting, gray	„	.010	.012
Shirting, white or bleached	„	.015	.014
Shirting, twilled	„	.017	.023
Shirting, dyed	„	.020	.026
Twill tape	„	.015	.018
Unbleached cambrics	„	.018	.021
Victoria lawns	„	.009	.010
Cotton mosquito netting ...	„	—	.023
Plush and velvets, mixed with silk and cotton, the latter predominating in weight	„	—	.201
Cotton flannel	„	—	.033

PART II.

Woollen and worsted yarns for weaving purposes, plain or dyed	per 100 lbs	12.976	12.370
Alpaca	per sq. yard	.111	.095
Bunting	„	.053	.048
Cassimere, lastings and crape list ge	„	—	.040
Flannel :—			
a. of wool	„	.068	.075
b. Of wool and cotton	„	.062	.072
Italian cloth	„	.053	.046
Long cloth	„	.041	.036
Muslins de laine, of wool :			
a. Grey or white	„	.035	.041
b. Dyed or printed	„	.035	.048
Serge, the warp of worsted and the weft woollen ...	„	.067	.077
Spanish stripes	„	—	.074
Woollen and worsted cloths of all kinds :			
a. Of woollen and worsted	„	.141	.186
b. Mixed and cotton	„	.071	.083
Woollen and worsted damasks	„	—	.068
Woollen felt	„	—	.061

PART III.

Silk, raw or thrown	per	1 kin	85.139	79.716
Silk, tussore, raw	"	1 "	—	30.504
Silk crape, Chinese	per sq. yard.		—	.77
Silk pongee, Chinese (Kenchu)	"		—	.696
Silk satin, Chinese	"		.279	.432
Silk satine, figured, Chinese	"		—	.295
Silk faced cotton satins	"		—	.190

PART IV.

Flax or linen yarns, plain or dyed	per	100 kin	8.159	10.126
Flax or linen thread	"	1 "	—	.202
Flax or linen canvas	per sq. yard.		.071	.089
Flax damasks	"		—	.091

PART V.

Blanketing and whipped bla kets plain woven	per	100 kin	13.984	12.887
All other				16.573
Carpets and carpeting, Brussells	per sq. yard.		.271	.418
Carpets and carpeting, felt	"		.067	.073
Carpets and carpeting, jute or hemp	"		.047	.096
Carpets and carpeting, printed, stained	"		.263	.215
Chintzes	"		.077	.042
Elastic boots web bands:				
a. Of silk in part	"		—	.855
b. All other	"		—	.470
Handkerchiefs:				
a. Of cotton, single	"		.017	.025
b. Of cotton, in piece	per doz.		—	.068
c. Of hemp, in piece	"		—	.291
d. Of hemp and cotton, in piece	"		—	.180
Leather cloth, for furniture	per sq. yard.		.042	.054
Oil cloths and linoleum cloths for floors	"		.071	.119

WINES, LIQUORS AND SPIRITS

Champagne and other sparkling wines, 12 bottles, each not exceeding 1 litre, or 24 bottles, each not exceeding ½ litre	Case		5.423	9.136
Wines of all kinds up to 16 per cent. of alcohol:—				
a. In cask	Litre		.043	.031
b. In case of 12 bottles, each not exceeding 1 litre, or 24 bottles, each not exceeding ½ litre	Case		2.663	2.972
Under 24 per cent. volume increase and above 16 per cent. volume exclusive of alcohol:—				
a. In cask	Litre		.277	.177
b. In case of 12 bottles, each not exceeding 1 litre, and 24 bottles, each not exceeding ½ litre	Case		2.380	4.693

MISCELLANEOUS

Alloy wood	per	100 kin	8.884	12.551
Asbestos in sheet or board	"	100 "	—	1.265
Caoutchouc and gutta percha:—				
a. Crude	"	100 "	—	8.858
b. Sheet	"	100 "	—	17.905
Coal, in sheet or rod	"	1 "	.196	.197
Cement, Portland	"	100 "	.099	.102
Chalk and whiting	"	100 "	—	.545
Coal	"	1 Ton	.879	1.120
Coke	"	1 "	.749	1.537
Cordage and ropes of flax, hemp, jute, Manila hemp, or China grass (for rigging and other purposes)	per	100 kin	1.954	2.847
Cork bark	"	100 "	—	990
Corks	"	100 "	—	6.530
Dynamite	"	1 "	.100	.681
Fish-maw (tegus)	"	100 "	16.976	32.075
Fungus (agaricus in ricata)	"	100 "	.554	.326
Gum (common)	"	100 "	.572	.886
Gun powder (smokeless powder excepted)	"	100 "	2.617	4.944
Gypsum	"	100 "	.665	.561
Hay	"	100 "	—	.125
Tallow (beef)	"	100 "	—	1.220
Lard (pig)	"	100 "	—	1.943
Tallow and Grease (other than of ox and sheep)	"	100 "	—	.919
Matches	"	100 "	.544	.5o1
Matting, hemp in rolls of 40 yards	per	1 roll	.810	1.034
Matting, cocoa	per sq. yard.		.054	.093
Oakum	per	100 kin	712	749
Packing for steam engines	"	1 0 "	—	8.435
Pitch	"	100 "	.1o7	149
Wood flour	"	100 "	.322	.317
Plaster of Paris	"	100 "	.174	.155
Pumbago, or black lead	"	100 "	.730	994
Pulp (for making paper)	"	100 "	.297	.342
Putty	"	100 "	234	219
Rattans (split or otherwise)	"	100 "	348	482
Sandal wood	"	100 "	1.434	1o5
Soap (for washing)	"	100 "	1.0o5	1.256
Soap-stone (in lump or powder)	"	100 "	.09	.127
Timber, sandalwood (shitan)	"	100 (cub. ft.	.173	168
Timber, Teak	"	100	7 628	10 35

Note.—The word "kin" in the above table means the Japanese weight. The words "pound" and "inch" are English weights in weights. The word gallon is American standard gallon. The word "litre" is French measure.

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
NOV 5 1902
BUREAU.

No. 692. October 16, 1902.

DIPLOMATIC BUREAU

DEP'T OF STATE
NOV
4
1902
2ND ASST SECRETARY

INDEX BUREAU
RECD
NOV
3
1902
DEPT. OF STATE

To Navy -
Ack & file.
Did so
Nov. 6

Others again
Nov. 15

Mr. Buck

to the Secretary of State.

Subject:

Launching of U.S. gunboat by Uraga Dock Company.

UNITED STATES LEGATION.
TOKIO.

No. 692.

October 16, 1902.

DIPLOMATIC BUREAU
NOV 5 1902

INDEX BUREAU
RECD.
NOV
3
1902
DEPT. OF STATE

DEP'T OF STATE
NOV
4
1902
2ND ASST SECRETARY

DIPLOMATIC BUREAU

To Navy -
Ack & file.
Did so
Nov. 6

filed

Other copies
Nov. 15

Mr. Buck

to the Secretary of State.

Subject:

Launching of U.S. gunboat by Uraga Dock Company.

UNITED STATES LEGATION.
TOKIO.

No. 692. October 16, 1902.

To the Honorable John Hay,
Secretary of State,
Washington, D.C.

Sir:

I have the honor to report that yesterday I had the pleasure of witnessing the successful launching of the first of the five small war vessels building for the United States by the Uraga Dock Company at Uraga.

The Inspector for the United States who is supervising the building of the vessels pronounces the one launched to be first class in all respects and gives high praise to the contracting company for the use of the best material and for the most thorough construction. The vessel was christened the "Romblon" by Miss Evans, the daughter of Rear Admiral Evans. The other four, in process of building, are well advanced and will soon be completed.

I have the honor to be,
Sir,
Your obedient servant,

W. S. Buck

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
NOV 20 1902
BUREAU.

No.698. October 25, 1902.

INDEX BUREAU
REC'D.
NOV
17
1902
DEPT. OF STATE

Taken out
by John L. Brower,
Nov. 21.
File
[illegible]

Mr. Buck

to the Secretary of State.

INDEX BUREAU
NOV 25 1902
FILED

Subject:

Transmitting report in Brower case.

UNITED STATES LEGATION.
TOKIO.

No.68. October 25, 1902.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to acknowledge the receipt of the Department's Instruction No. 421 of date of the 3rd ultimo, accompanied by a letter addressed to the Department from Mr. Thomas L. Brower, complaining of the treatment of his brother John L. Brower, who, he alleges, was adjudged in the Yokohama-Ken Saibansho to be incompetent to exercise his personal or legal rights,- was finally taken from his house and transported to the City of New York and left penniless at the Grand Central Station and on the adjudication, his property was seized.

In compliance with the Instruction, I submitted the matter to E. C. Bellows, Esquire, Consul General at Yokohama, for investigation and report, as, in my opinion, that was the best course to pursue to obtain the desired information.

Having now received the Consul General's report, I have the honor to enclose it, accompanied by the several exhibits as therein stated, which seem to meet the requirements of the instruction at all points.

I have the honor to be,

Sir,

Your obedient servant,

J. E. Buck

ENCLOSURE:- Consul General's report.

Enclosure with Mr. Buck's
No. 693 of Oct. 25, 1902.

(COPY)

No. 1203.

United States Consulate General,
Yokohama, Japan, October 22, 1902.

His Excellency,
Alfred E. Buck,
Envoy Extraordinay and Minister Plenipotentiary of the United States,
Tokio.

Sir:-

In compliance with your letter No. 636, of October 7, 1902, I have the honor to report that, I have made diligent inquiry concerning the affairs of Mr. Thomas L. Brower and the matters complained of by his brother, Mr. John L. Brower, to the Department of State on August 26, 1902, and enclose herewith the following documents, which, I believe, will furnish all the information desired:-

1 -Copy of my letter to N. W. McIvor, October 13, 1902
2 -Copy of N. W. McIvor's reply thereto, October 15, 1902.
3 -Copy of letter -N.W.McIvor to John L. Brower,October 28, 1901.
4 -Copy of letter -Dr. Eldridge to Dr. Harmon, September 6, 1901.
5 -Copy of my letter to Dr. A.G.Smith, October 20, 1902.
6 -Copy of Dr. Smith's reply thereto, October 21, 1902.
7 -Copies of 2 letters from Dr. Smith to John L. Brower, August 15, 1901.
8 -Inventory of Estate of Thomas L Brower filed by Dr. Smith, as Guardian, October 21, 1901.

9 -Copy of Translation of Personal Status Register of Thomas L. Brower.

I am, Sir,

Your obedient servant,

Signed: R. S. Bellows,

U.S. Consul General.

(C O P Y)

No. 1185.

United States Consulate General,

Yokohama, Japan, October 13, 1902.

Hon. N. W. McIvor,

Attorney for Thomas L. Brower,

Yokohama, Japan.

Sir:-

I herewith hand you copy of a letter by John L. Brower, to the State Department asking for an investigation of the alleged seizure of the property of Thomas L. Brower, and his deportation to the United States.

I respectfully request that you, as the attorney of Thomas L. Brower, furnish this office as full and complete a statement of facts relating to this matter as may have come within your knowledge.

Very respectfully,

Signed: E. C. Bellows,

U.S. Consul General.

(C O P Y)

62 Bluff, Yokohama, Japan.

15th October, 1902.

Hon. E. C. Bellows,

Consul General of the United States,

Yokohama.

My Dear Mr. Bellows:-

I have duly received your communication of the 13th October (No. 1185) in which a copy of a letter addressed by Mr. John L. Brower, of 156 and 157 Broadway, New York, to the Honorable the Secreaty of State is enclosed with the request that I furnish you such information as I have in my possession, which will enable the Secretary of State to decide what action it is necessary to take.

I have been acting as attorney, in Japan, for the Estate of Mrs. Janet L. Brower, deceased, for Thomas L. Brower and for the China and Japan Trading Company, so that I suppose that I am in a position to furnish a correct statement of the facts of the matters presented in Mr. John L. Brower's letter. This I shall be glad to do, but I must go back a little in the history of the case in order to ma make clear the reasons underlying the facts referred to in the letter.

Thomas L. Brower has been, for many years, connected with the management of the Yokohama Branch of the China and Japan Trading Company, Ltd., one of the oldest and largest American commercial houses in the City. He lived here very quietly with his aged mother in a house owned by him. In the Spring of 1901 one of his business associates suggested to me that he showed symptoms of mental weakness, but I, at the time, attached little importance to the suggestion since I knew that Mr. Brower had been greatly worried by certain business misfortunes in the department of the Company's business over which he presided, and I attri-

buted the peculiarities to which my attention was called to this cause. I left the City for the Summer, but, in August, Mr. Brower's manifestations of mental weakness became more frequent and pronounced, so much so that his old family physician, Dr. Stuart Eldridge, was called upon to make an examination. He stated that Mr. Brower's condition was very serious; he explained the case to Mrs. Brower, and recommended that a telegram be sent requesting me to return to the City. This I did, but reached here on te the eve of the Doctor's departure for China, and was unable to have only a hurried interview with him. He told me th that he had requested Dr. Harmon, the Senior Medical Officer of the U. S. Naval Hospital, to take charge of the case and he promised, at my suggestion, to write a letter to Dr. Harmon giving the history of Mr. Brower's case. A copy of this letter is herewith enclosed.

Later I found that, since Japanese Law requires that any evidence of insanity shall be promptly reported to the Authorities, our Consular Authorities were preparing to make the report in this case to the Prefectural Governor. I was opposed to this, because it would , in all probability, lead to Mr. Brower's confinement in a Japanese place of detention, and render permanent the affliction from whi which he was suffering. I urged that fact that this re[illegible] report was really required by the Law only where the mental disturbance was of such a nature as to give rise to a reasonable fear that there might be danger to the patient or those with whom he came in contact, and I quoted the physicians as saying that there was no such immediate danger in this stage of the disease, though it might arise at any time, but that, if Mr. Brower could be persuaded to go to America, the change of climate and surroundings might contribute to a complete or partial recovery. The report was not made, and Mr. Brower contenued to live quietly

with his mother, who, with his friends, used every means of persuading him to take the trip. It was practically arranged that he should go with his mother, and after changing his mind several times, he consented to the arrangement; but Mrs. Brower's death on the 11th of September 1901 destroyed the plan, and nothing would move Mr. Brower to leave Yokohama.

After this it was found that Mr. Brower had developed a craze for tearing up papers at his office. It was feared that he might destroy papers of value to the Company as well as to himself, and the Manager of the Company here, Mr. F. H. Ziegfeld, considered it necessary to suggest to him that he needed a rest and had better take a short vacation, he taking temporary charge of his department. Thi This conversation caused Mr. Brower to take a violent dislike to Mr. Ziegfeld, a man for whom he had had the greatest friendship, and he left the office and shut himself up in his house, admitting only a few people from time to time, and then only after making a careful inspection of the visitor through double glass doors, the servants having been instructed that they must admit none to the house on any pretext.

To show that the situation here was fully made clear to Mr. John L. Brower, I enclose a copy of a letter written to him by me, under date 28th October, 1901, for which I have received his acknowledgment and thanks.

A trained male nurse was secured to sleep at Mr. Brower's house to see that he did no harm to himself. This man was admitted by the servants, through the back door, every night, and left the house early in the morning. Mr. Brower finally discovered his presence in the house, and made effective objection of his coming again.

After Mrs. Brower's death, every effort was made, I

believe, by the China and Japan Trading Company to have MR. John L. Brower, or some relative, come out from New York to take charge of Mr. Brower and his property, but all efforts were unavailing.

Mr. Christie, of New York, the Vice President of the China and Japan Trading Company, and an old friend of Mr. Brower's, visited Yokohama about this time on the Company's business. Mr. Brower did not know him, and Mr. Christie was horrified when he saw what his physical and mental condition was.

Mr. Brower had failed to pay the taxes on his property and had locked the tax official out of his house and thrown his papers after him. He had several times reduced the wages of the two old native family servants who had remained with him after his mother's death. When they reported this fact to Mr. Ziegfeld, he agreed to make up the wages to the former amount if they would say nothing to Mr. Brower, and continue in his service. This was done because no new servants could be persuaded to go into the house. Mr. Brower later made such physical attacks and th threats that these servants reported to Mr. Ziegfeld that they could stay no longer. Their fears, were, however, allayed and they remained for the time being. It was discovered that the servants had been unable to persuade Mr. Brower to change his clothing or to take bath at proper intervals. It was, therefore, decided to arrange for his removal to a hospital. In order to accomplish this, and in order to arrange for the management of his property(his rents were uncollected, his insurance premia were in default and his house bills, and those incidental to his property holdings were unpaid, except in so far as the Manager of the China and Japan Trading Company had been to attend to them), application was made to the Japanese

Court

Court, through Ex-Judge Sato Hakuai, for the appointment of a guardian of Mr. Brower's person and property. I was not in the City at this time, but I believe that the action was especially necessary because of Mr. Brower's half native daughters, and their husbands, were showing indisputable signs of a wish to assert an intrest in his estate. Before the Japanese Court could act in the matter, it was necessary to create a "Family Council":Mr. Brower had no relatives in Japan, and the nearest relative, John L. Brower of New York, a brother, had refused to come to Japan to look after him:-The Court, after some delay, appointed th three of Mr. Brower's oldest friends as a Family Council--J. M. Jensen, the Chief Accountant of the China and Japan Trading Company, John McLean, The United States Vice- Consul General, and the writer of this letter. This Council unanimously elected Dr. A. G. Smith, and old and trusted friend of Mr. Brower, Guardian, and Mr. H. F. Ziegfeld, Manager of the China and Japan Trading Company, Inspector. These nominations were confirmed by the Court.

About this time the servants reported that Mr. Brower had left his house in a pouring rain, without umbrella or outer covering,taking only a small newspaper parcel containing jewelry and some small effects, and stating that he had sold his house to a banker and would not return again. Mr. Ziegfeld and Dr. Harmon, of the U. S. Naval Hospital, found him on the street; they asked him to return to his house; he confirmed the story of the sale of his house, and insisted that he was going to New York immediately; it was explained to him that there was no ship, but he insisted that he could find one if he could get down to the harbor, and that he must get to New York without delay; Dr. Harmon made him return to his house and

feeling

feeling that it was unwise to leave him alone there, had some of his own hospital attendants remove him to private quarters in the Yokohama General Hospital, the Doctor and Mr. Ziegfeld going with him to see that he was made comfortable. (It was impossible to take Mr. Brower to into the Naval Hospital.). He still insisted that he wished to go to New York. Proper attendants were engaged and he was sent to San Francisco on the next outgoing steamer by the Guardian, Dr. Smith. He sailed on the America Maru on the 23rd of July, I believe. A cable announcing this fact was sent to the China and Japan Trading Co. in New York, and it is understood that every effort was made to persuade Mr. John L. Brower to meet his brother at San Francisco, but he did not do so, and sent no one to represent him. When the party reached San Francisco, it was taken charge of by the Company which was the correspondent of the China and Japan Trading Co.; one of the attendants returned to Yokohama, and the other proceeded to New York with Mr. Brower, having been started on the journey and provided with ample funds by the head of the San Francisco firm.

It would seem that Mr. John L. Brower is , practically speaking, misinformed in stating to the Secretary of State that the party was "penniless" when it reached the Grand Central Station in New York; it may be true that Mr. T. L. Brower had no money in his pockets, but his attendant and companion was provided with ample funds and credits to to meet the needs of both,(he turned over a balance to the office of the China and Japan Trading Company after his arrival in New York) and had instructions to deliver Mr. Brower at the office of the Company unless his relatives met him.

The

The statement made that Mr. Brower's property here was "seized" is calculated to convey a mistaken impression of what has been done: Dr. Smith has, as the Guardian recognized by the Court, taken possession of it for Mr. Brower's benefit. I believe that the rents are being collected and the taxes and insurance paid, and the estate, so far as I can judge, is being well managed. Since Dr. Smith's service in the matter has been given solely on account of his old time friendship for Mr . Brower, I have no doubt that he would be more than pleased to turn over the trust to any one who may properly take it.

Mr. Ziegfeld, who has, on the request, and under a Power of Attorney from, Mr. John L. Brower, been appointed special Administrator of the estate of Mrs. Janet L. Brower, has had a great deal of difficulty in adjusting the technical matters involved in the settlement of the estate.

Permit me, in closing, to say that, in my opinion, no greater care could have been shown in protecting Mr. T. L. Brower's interests, and in assuming necessary responsibility which his relatives refused or failed to assume, than has been shown by the officials of the China and Japan Trading Company both here and in New York.

Sincerely and respectfully yours

Signed: N. W. McIvor.

Copy

#62 Bluff,

Yokohama.

28th October, 1901.

John L. Brower, Esquire,

Care China & Japan Trading Co., Ltd.,

New York.

Dear Sir:-

Since as Consul General and Judge of the United States Court here in the past, I have held the confidence of your mother and brother, and since I am here as legal adviser for several corporations, I have been doing all that I could, to assist the Manager of the C. & J. Trading Co., in his efforts to protect the interests of your mother's estate and of your brother.

We both think that it is advisable that you should fully understand the details of the situation in the hope that you will approve the course that we have found it necessary to follow and give us the assistance that you alone can give.

We noticed some evidence of a disturbance of your broter's mental powers in August, but we had no idea that it was at all serious. Early in September, his family physician, Dr. Eldridge, voluntarily spoke to Mr. Ziegfeld, the Manager of the Company, on the subject, and informed him that the case was quite serious, and that, while he was not violent, he might become so at any time: he also stated that he had informed your mother of her son's condition, and had asked her to persuade him to take a trip to America, which he thought might result in an improved condition. I was up in the hills with my family, and Mr. Ziegfeld telegraphed me to come down immediately, thinking that my influence over Brower , based on a long friendship, might assist in inducing him to travel with his mother. When I reached

reached here I found that Dr. Eldridge was forced to leave for a trip to China on business for our Government. He had communicated the facts relative to your mother's health and your brother's case to Dr. Harmon, the Senior physician of the U.S.Naval Hospital here, and had asked him to take his place. After talking with Dr. Harmon, your mother insisted on going to America, on the plea of her own health, and insisted on your brother's accompanying her. We all urged on Brower the necessity of going with her. (It had been considered unwise to say anything to him of his own condition). He consented to go, and both he and your mother began to make preparations for the journey. Just at this time it was learned that Dr. Eldridge had been taken sick on board his steamer and had been removed to the shore at Kobe where he was lying very seriously ill with some affection of the heart. Your mother, who was an old friend of the family, went over to see Mrs. Eldridge; it was a very hot day, and she had been out of the house, I believe, only once before during the summer. Soon after her return to her house, Dr. Harmon came in with a lady, an old friend of hers, and she told them the details of the news about Dr. Eldridge: in the midst of this recital she stopped, complaining of a severe pain in the back of her head. Everything possible was done for her, both by Dr. Harmon and her friends, but she never recovered, and died on the morning of the 11th of September.

It was thought that the shock of her death would have one of two effects upon your brother, since he had always been absolutely devoted to his mother; either it would make him worse, or it would bring back to strength his weakened mental powers. Unfortunately this supposition did not prove true. Brower was better in many ways, and the physicians lost their fear of his becoming violent, but

he

he was more stubbornly unreasonable and less susceptible to the influence of his friends, especially in the matter of leaving Yokohama. Your mother's death well-nigh destroyed our hopes of getting him to go, but I asked Mr. Ziegfeld not to send your mother's remains over immediately, in the hope that we might be able to persuade him to accompany them. We have used every possible argument to influence him to do so but without avail. He insists on living alone at the house and sleeps most of the time. Acting under medical advice, we have secured the service of a male nurse who spends the nights at the house, much against Brower's will. Mr. Ziegfeld has just informed me that Brower has put this nurse out of the house, and we are trying to get him back in some way which will not unduly excite the patient.

After your mother's death, the Consul General went to the house, and sealed up her effects. When Brower came in he objected seriously, stating that he did not wish to see Consular tape and seals all over the house, and he came to me to complain of it. I explained to him that under the law the Consul had to do something of the sort,(I could not tell him that it became the duty of the Consul, when there was no member of the family present capable of taking charge) but I suggested that it would be better to move all of these things into one room and let the Consul not only seal them but lock and seal the room. This satisfied him and I got the Consul General to go up and refix the seals. While there I told Brower that it would be well to try and find any will that his mother had left, and deposit it with the Consul General. He readily agreed to this and we found a packet containing a will of which the Consul General took possession.

The

The Consular Authorities felt that it was incumbent on them to make formal complaint to the Japanese Authorities and have Brower adjudged insane and confined. I objected to this not only because I did not wish him confined in a Japanese institution,(there is no other here), but because Dr. Harmon told me that if he were kept quiet and sent away to America he had a good chance of recovery, while if he w was excited by being told of his condition and by being con confined, his case would, without doubt, be hopeless and he would immediately become insane. The final application to the Japanese Authorities was not made, and Brower is living quietly at his own house.

Three days before your Mother's death she sent me a message asking if I would come to the house and see her to give advice about a will. She told me that she had gotten Brower to promise to make a new will and that she was very anxious that he should do so. She asked me to draw up a will for him and get him to sign it. I told her that in his present condition no will made by him would be good. She thought that it would not be contested, and I left her with a promise to see Brower. At the same time she spoke with me of her plans for going to America, and asked me about her own will. She said that she had had a comperatively recent will in Brower's safe, but that she had gotten it a day or two before and destroyed it. She said that it was her idea that by destroying it she left in force the much earlier will which she had made at a t time when her daughter was alive, and she had put this earlier will in the envelope in which the later one had been. She told me that it was her wish that her two sons shall have what she had to leave, and asked me if the provision for her daughter in this old will would interfere with the this division of property. I told her it would not if her it would not if her daughter had died without leaving any

one

one to inherit her interest. She then said that she thought that it would do for the present, but that later, and before she sailed, she would probably ask me to write a new will for her. She told me that in case she did not have a new will made, she was packing this old will in a trunk which would accompany her. I advised her not to do this, since, if by any unfortunate chance, she should be lost at sea, the will would be lost with her. I recommended her sending it by registered mail either to you or addressed to herself in America, letting it go by another steamer. She accepted this suggestion and announced her intention of acting on it. The will finally taken possession of by the Consul General was this old will and was found in your mother's strong box and taken out by him before he sealed the box, in presence of Brower, myself and Brower's office assistant. This will named you and your brother as Executors. I had the Consul General offer it for probate in the Japanese Court, and, on the authority of your request, made to the China & Japan Trading Company in New York, asked that Mr. Ziegfeldbe appointed Special Administrator of the estate in Japan. (Brower's mental condition was privately explained to the Judge who was informed that we did not wish to make a public matter of it). I supposed that this was all agreed upon, but when the probate decree came from the Judge I found that you and your brother were appointed Executors.ers.

The truth of the matter is that the Japanese do not know how to depart from the strict text of the will. The Judge explains that he appointed you be cause you would undoubtedly come out, and, having appointed you, he had to appoint your brother. He now says that you can send out a Power of Attorney to Mr. Ziegfeld to act for you.

I expect to be able to secure Mr. Ziegfeld's appointment as Special Administrator, but in the mean time, I think

think it would be well for you to send him a Power of Attorney to act for you in your capacity as executor.

I send you, herewith, a certified copy of the will, in case you wish to have it probated in New York.

I am surprised to find that there is nothing here subject to the Will except the personal effects. There are on the records at the Consulate General notations of deeds to all the real estate, bearing date 1894, and your brother holds the deeds and the title. I am certain that your Mother had forgotten these deeds when she spoke with me.

Do you know how the furniture was held? Brower does not claim to own it, but claims some interest in it indedent of the Will.

We are very sorry, on your brother's account, that you could not come out, but I hope that you will send to Mr. Ziegfeld (initials F. H.) a full power of attorney to act for you, together with an instruction as to your wishes.

Very truly yours

Signed: N. W. McIvor.

(C O P Y)

Kobe, Sept. 6th, 1901.

Dear Dr. Harmon,

I have been medical attendant of T. L. Brower and his mother for many years, although the family has but rarely demanded my services. I have, however, known him intimately for some 30 years and have always considered him a Neurotic. This, at least 25 years ago, was manifested by attacks of intense nervousness with little or no provocation, and for which he took no treatment. For instance, being a pianist, he would sit down at the instrument and play very well for a few minutes, when suddenly his time would become most confused, outrageous discords would follow and Mr. Brower suddenly rise asserting that he could play no more, nor could he at the time.

Up to about the age of 40 (Mr. Brower is now 55 or 56 I believe) he was a man of the most temperate habits. From the age named, however, he with comperative suddenness began to drink freely, and until within the last two or three months he drank to excess, often being more or less intoxicated every evening for days together. He has always worked very hard at his business, and with the past few months has had certain very annoying, though perhaps not serious, reverses, and these have disproportinately weighed upon his mind.

I should always have described Mr. Brower as somewhat eccentric, but, within the past six months, this eccentricity has gradually become accentuated so as to be noticed by his observing friends, myself among the number. He has at the same time developed suspicion of every one, even of myself, his old friend and physician, so that it has been practically impossible to learn anything from him bearing on his case, though I have endeavored to do so.

For

For some three months I have been endeavoring to induce him to take a long rest, and have warned him that the consequences might be most serious should he not do so, but without success.

One week ago his malady developed itself more seriously with some abruptness. He began occasionally to talk nonsense, showed very marked failure of memory (which had been more or less evident for some months), intense restlessness, aimless and erratic action in business and an increased suspicion of his friends.

I should say that I am informed by his mother that he shows, and has some time shown, an unnatural tendency to somnolence; returning from the office to his home he repairs to his room, sleeps until a meal is announced, makes a fair repast and then sleeps again until it is time either to go to the office or to retire for the night.

This, with certain other facts which I have observed, induces me to think that Mr. Brower, being by profession a Druggist and thoroughly familiar with the action of the usual medicines, finding himself sleep less and melancholic has resorted to morphine, thus counteracting the usual insomnia found in his condition.

I am personally cognizant of the fact that there is a strong neurotic tendency in the whole Brower family, and knew Mrs. Brower's sister as insane for many years.

My diagnosis is: A somewhat irregular case of insane depression, tending to melancholic dementia, and I urge that without delay the patient be sent under a reliable escort to the United States where he can be properly cared for.

Most sincerely,

Signed: Stuart Eldridge, M.D.

U.S. Naval Hospital,

Yokohama, Japan, October 15, 1902.

I certify that the above is a true copy of a letter received by me from Dr. Eldridge in September 1901 when, during his temporary absence from Yokohama, his patients h had been left in my charge.

Signed: F. E. H. Harmon, M. D.
Medical Inspector, U.S.N.
in charge of Hospital.

- Copy -

No. 1202.

United States Consulate General,

Yokohama, Japan, October 20,1902.

Dr. A. G. Smith,

Guardian of Thomas L. Brower,

Yokohama.

Sir:

I have to request that you furnish this Consulate General, at your earliest convenience, with all the facts, and documents, letters, or instructions appertaining to your appointment or election, as Guardian of Thomas L. Brower, together with any information you may possess as to his leaving Japan, the distribution of his property, or notices sent to or received from his brother, John L. Brower, of New York City.

I am, Sir,

Very respectfully,

(Signed) E. C. Bellows,

U.S.Consul General.

- Copy -

Yokohama, Japan,

October 21st, 1902.

R. C. Bellows, Esquire,

U.S.Consul General,

Sir:

In reply to your request of October 20th, '02, No. 1202, I beg to enclose a copy of my appointment by the Japanese Court as Guardian of Mr. T. L. Brower, for your perusal, together with copies of letters seht to his brother, John L. Brower, of New York City.

The history of my present appointment of guaddian to Mr. Brower commenced some time last summer during the visit of Mr. Christie, Vice-President of the China and Japan Trading Company, Limited, who was greatly disturbed at the mental and physical condition that he found his old friend Mr. Brower. Mr. Christie asked me as an old friend of Mr. B's in the event of Mr. Brower's being declared insane or incompetent would I consent to act as his guardian. I consented and some time during July on the request of the Public Procurator (I believe), Mr. Brower was declared incompetent of managing his own affairs, a family council, to comply with Japanese law, was formed, who elected me Guardian, and I entered on the pursuit of my duties on July 22.

Mr. Brower's mental and physical condition at that time was such that, at the suggestion of Dr. Harmon, Medical Officer, U.S.Naval Hospital, I by and with the approval and consent of the family council engaged passage by the S.S."America Maru" for San Francisco, where I was led to believe he would be met by his bother Mr. John Brower of New York. This afterward proved not to be the case. As Mr. Brower was not capable of attending to himself two attendants were employed to go with him. One went as far as

San

- Copy -

Yokohama, Japan,

October 21st, 1902.

E. C. Bellows, Esquire,

U.S.Consul General,

Sir:

In reply to your request of October 20th, '02, No. 1202, I beg to enclose a copy of my appointment by the Japanese Court as Guardian of Mr. T. L. Brower, for your perusal, together with copies of letters seht to his brother, John L. Brower, of New York City.

The history of my present appointment of guaddian to Mr. Brower commenced some time last summer during the visit of Mr. Christie, Vice-President of the China and Japan Trading Company, Limited, who was greatly disturbed at the mental and physical condition that he found his old friend Mr. Brower. Mr. Christie asked me as an old friend of Mr. B's in the event of Mr. Brower's being declared insane or incompetent would I consent to act as his guardian. I consented and some time during July on the request of the Public Procurator (I believe), Mr. Brower was declared incompetent of managing his own affairs, a family council, to comply with Japanese law, was formed, who elected me Guardian, and I entered on the pursuit of my duties on July 22.

Mr. Brower's mental and physical condition at that time was such that, at the suggestion of Dr. Harmon, Medical Officer, U.S.Naval Hospital, I by and with the approval and consent of the family council engaged passage by the S.S."America Maru" for San Francisco, where I was led to believe he would be met by his bother Mr. John Brower of New York. This afterward proved not to be the case. As Mr. Brower was not capable of attending to himself two attendants were employed to go with him. One went as far as

San

San Francisco, the other as far as New York.

Mr. Brower's property in Yokohama consists of real and personal effects as per inventory enclosed of which I am willing at any time to give accounting for to any one armed with proper authority.

Yours truly,

(Signed) A. G. Smith.

Copy.

Yokohama, Japan,

Aug. 15th, 1902.

JOHN L. BROWER, ESQ.

New York.

Dear Sir,

At a meeting of the family council of Mr. T.L.Brower, consisting of Mr. McIvor, Mr. Jensen and Mr. McLean, U.S. Vice Consul, Mr. Ziegfeld, Supervising Guardian and Dr. A. G. Smith, Guardian being also in attendance, a communication from Mr. Matsuda, a Japanese lawyer council for Mr. Brower's two daughters was read. The two daughters said that they had been in receipt of a monthly income of 45 yen per month from their father and asked that this income be continued or that funds be taken from Mr. Brower's estate and so invested as to yield such an income. The family council are well satisfied that the daughters have been in the habit of receiving such an income and would be glad to continue the same but doubt their authority to do so until after consulting you and other relatives at home. I am requested to write you and to ask your views. The Family council earnestly ask you to favorably consider the matter as to their knowledge the money is badly needed. One daughter is married to a man in the postal service who is in receipt of an income of 15 yen($7.50 U.S.G.)per month. The other to an engineer who earns about 40 yen ($20 Gold) per month.

As to the girls they have been well educated and being accustomed to a fair style of living, they can not live on the salaries of their husbands. The Council would urge on you the necessity of consenting to the continuance of the

loan

allowance.

Another thing the Council would bring to your notice is the necessity of having a medical survey held on Mr. Brower and a legal Guardian be appointed for him in America. It might lead to complications to have him interdicted from managing his affairs in Japan, while competent to do so in the United States. The Council also throw out as a suggestion the desirability of winding up the entire estate here in Japan and removing the proceeds to America. As far as they know a will was made some years ago giving his entire property to his mother; seach is being made for this will but it has not come to light. As Mrs. Brower is dead, Mr. Brower is practically with a will and it might be easier for all concerned to wind up every thing after a guardian is appointed at home.

Yours truly,

(SIGNED) A. G. Smith,

Guarduan.

COPY.

Yokohama, August 15, 1902

JOHN L. BROWER ESQ.,

Dear Sir,

Since writing the other enclosure I have learned that you have not been informed as to what has taken place here in the past few weeks.

Mr. Brower was ill for a long time and at last his mental and personal condition became such as to lead some of his friends to interfere in his behalf. Representations were made to the Public Procurator as to lead him to get the local court to order that Mr. Brower be interdicted from managing his own affairs. To comply with the law Mr. Ziegfeld was appointed Supervising Guardian,- Dr. A.G.Smith guardian, and a family council consisting of Mr. McIvor, Mr. Jansen, and Mr. McLean, U.S.Vice consul, was formed. These men are all old and personal friends of Mr. Brower and have his interests at heart.

Only two days before Mr. Brower left for America did these gentlemen get their authority to act so this will account for the very shabby state that Mr. Brower was in when he left Japan. Everything was done very hastily. I desire to point out to you that we are all anxiously awaiting a report of Mr. B's condition on his arrival.

Mr. B. has considerable property here in Yoko. consisting the three valuable houses and lots, share certificates in various Eastern public companies, about 4,000 yen in bank and a lot of jewelry; the latter is in a sealed bag deposited in the Hongkong Bank. Two of the houses are rented, the other the family dwelling we will let to tenants on monthly notice, until the future will decide what other arrangements can be made.

Yours faithfully,

(Signed) A.G.Smith.

INVENTORY OF THE REAL AND PERSONAL PROPERTY OF T.L. BROWER, INCOMPETENT, FILED BY HIS GUARDIAN A.G. SMITH,

Yokohama, Japan, October 21, 1902.

---

1 House and lot No. 260 Bluff (As per title deeds).

1 " " " NO, 252 " " " "

1 " " " No. 109 Settlement " " "

1 sealed bag in Hongkong Bank containing jewelry, coins etc

Yen 1552.93 on deposit in Chartered Bank

12 Club Concordia Debentures Nos. 66 to 77, face value 100 yen each

30 shares China and Japan Trading Co., Ltd. Certificate No. 180, face value U.S.G. $100 ea.

20 shares Green Island Cement Co., Ltd. Cert. 1425, Nos. 25146 to 25160, 43251 - 43255. Face value Hgk $10 ea.

20 shares Green Island Cement Co., ltd. Cert. 1595. Nos. 4376-4390, 83141-83145. Face value Hgkg $10 each.

30 shares Hongkong & Kowloon Wharf & Godown Co., Nos. 28624 to 28653. Face value Hgkg $50 each.

20 shares Hongkong & Kowloon Wharf & Godown Co., Cert. 2137 Nos. 1735-1750, 1701, 19210-19212. Face value Hk $50 ea.

25 shares Hongkong & Kowloon Wharf & Godown Co., Cert. 2248, Nos. 4510-4534. Face value Hk $50 each.

15 shares Hongkong & Kowloon Wharf & Godown Co., Cert. 2735 Nos. 1778-1785, 5060-5066. Face value Hk $50 each.

15 shares Hongkong & Kowloon Wharf & Godown Co., Cert. 2945 Nos. 16652-16666. Face value Hk $50 each

10 shares S.C. Farnam Boyd & Co., Ltd, Cert. 2181. Nos. 30461-30470. Face value 100 taels each.

1 certificate of deposit for 2 Yokohama Public Hall Association. No value.

692 books in various buildings

1 jinricksha

1 phonograph with cylinders, trumpets, ear tubes etc

4 travelling trunks

1 pocket knife

4 nickel match safes

7 pairs shoes

1 pair shoe trees

1 shot gun in case

2 air guns

1 silk umbrella

1 silk hat in leather case

1 leather travelling bag

8 canes

1 silver mounted pocket flask

1 porcelain table ornament

1 leather rug holder

1 shaving case

1 safety razor in case with accessories

1 Chinese silver toilet set

1 revolver in case

1 small pistol

2 pairs slippers

1 nickel watch

1 gilt clock

18 old shirts

5 " "

1 silver mounted whist marker

2 pocket cigar cases

1 leather collar box

1 lot shoe strings

1 pair knitted slippers

2 trunkfuls old clothing, shirts,collars, pyjamas etc

1 pair Indian clubs

1 box shooting implements

1 book case

31 pairs trowsers

15 coats

14 vests

1 bamboo book case

1 wicker basket

1 roll-top desk (In C.& J. Office)

1 square " " " "

1 musket " "

1 Japanese sword " "

1 pig skin trunk " "

1 safe. Locked and contents unknown.

----------ooo----------

Copy

(Translation)

Copy of Personal Status.Register.

The Ward : Thomas L. Brower.

Member of a mercantile firm, born in the year A.D. 1850 (day and month unknown) at the city of New York, State of New York, in the United States of America, and now residing at No. 206 Yamate-cho, city of Yokohama.

The Guardianship commenced from the fourteenth day of July one thousand nine hundred and two, on which date the aforesaid Thomas L. Brower was interdicted by a judicial order from managing his property.

The Guardian: A. G. Smith.

Doctor of Dental Surgery, born on the 17th of November A.D. 1862, at the city of Erie, State of Pennsylvania, in the United States of America and now residing at No. 32 Yamate-cho, city of Yokohama.

The aforesaid A.G.Smith assumed his duty as Guardian on the twenty second day of July one thousand nine hundred and two.

The commencement of guardianship was notified on the thirty first day of July one thousand nine hundred and two and admitted to record on the same date.

No. 2 copy.

No. 7429.

I hereby certify that the preceding is a true and correct copy of the original record of Personal Status.

Dated the eight day of August one thousand nine hundred and two.

Umeda Yoshinobu

Personal Status Registrar for the city ofYokohama,Kanagawa Prefecture.

I, Joseph Ernest de Becker (of British birth but now a naturalized subject of the Japanese Empire) aged 39 years residing at No. 50-B Yamashita-cho,Yokohama City, Kanagawa Prefecture, in the Empire of Japan, interpreter and translator specialist of the Imperial Judicial Department of Japan, attached to the District Law Courts of the cities of Tokio and Yokohama, do solemnly and sincerely declare that I am well acquainted with Japanese language and system of writing, and that the foregoing copy of Personal Status Register is a true and faithful translation of its original in the Japanese language hereunto annexed marked "A".

(Signed) J. E. DeBecker

DECLARED and subscribed at Yokohama this eighth day of August in the year of our Lord one thousand nine hundred and two before me.

(Signed) E. C. Bellows,

Consul General of the United States of America at Yokohama, Japan.

No. 2 copy.

No. 7429.

I hereby certify that the preceding is a true and correct copy of the original record of Personal Status.

Dated the eight day of August one thousand nine hundred and two.

Umeda Yoshinobu

Personal Status Registrar for the city ofYokohama,Kanagawa Prefecture.

I, Joseph Ernest de Becker (of British birth but now a naturalized subject of the Japanese Empire) aged 39 years residing at No. 50-B Yamashita-cho,Yokohama City, Kanagawa Prefecture, in the Empire of Japan, interpreter and translator specialist of the Imperial Judicial Department of Japan, attached to the District Law Courts of the cities of Tokio and Yokohama, do solemnly and sincerely declare that I am well acquainted with Japanese language and system of writing, and that the foregoing copy of Personal Status Register is a true and faithful translation of its original in the Japanese language hereunto annexed marked "A".

(Signed) J. E. DeBecker

DECLARED and subscribed at Yokohama this eighth day of August in the year of our Lord one thousand nine hundred and two before me.

(Signed) E. C. Bellows,

::::::::
::ss::::
::::::::

Consul General of the United States of America at Yokohama, Japan.

DEP'T OF STATE
NOV
17
1902
2ND ASST SECRETARY

DIPLOMATIC BUREAU
To Committees ?
Ack.

UNITED STATES LEGATION.
TOKIO.

No. 694

October 27, 1902.

DIPLOMATIC BUREAU
REC'D
NOV
17
1902
DEPT OF STATE

To Com. Foreign affairs Dec. 2

DIPLOMATIC
NOV 17 1902
BUREAU.

ackd Dec. 5 fdbgs

Mr. Buck

to the Secretary of State.

Subject:

Request for correction of wording of appropriation for heating apparatus and vault.

INDEX BUREAU

UNITED STATES LEGATION.
TOKIO.

No. 694. October 27, 1902.

To the Honorable John Hay,
Secretary of State,
Washington, D.C.

Sir:

Referring to instruction No. 410 of date June 3rd last, by which I was informed that no part of the appropriation of $5,700.-- made at last session of Congress could be used for other purposes than for a heating apparatus and vault, as the wording of the items making the appropriation made it available only for those two purposes, I have the honor to request that the attention of the Appropriation Committees of the two Houses be called to the fact that an error was made in not including reconstructing the stable and improvements of the grounds of the Legation in order that a correction may be made , and that a part of the fund appropriated, now in hand, may be expended as was doubtless intended in granting the full sum asked for to include those improvements.

I have the honor to be,
Sir,
Your obedient servant,

E. Buck

ASSISTANT SECRETARY,

DEC 2 1902

UNITED STATES LEGATION,
TOKIO.

No.695.

October 30, 1902.

INDEX BUREAU
REC'D.
DEC
1902
DEPT. OF STATE

Mr. Buck

to the Secretary of State.

INDEX BUR
DEC 5

SUBJECT: "HOUSE TAX". Composition of Arbitral Tribunal.

UNITED STATES LEGATION.
TOKIO.

No.695. October 30, 1902.

2

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to report that, in the matter of arbitration of the question at issue between Japan and other Powers concerning taxation of buildings erected on perpetual lease property in the foreign settlements, the Japanese Government have named Mr. Ichiro Motono, their Minister in France, and the other Powers have jointly agreed upon Mr. Louis Renault, an eminent Professor of Law in Paris, both Members of the Hague Court, as members of the Arbitral Tribunal. Under the provision of the Protocol, Article I., these two are to choose an umpire, failing in which, the King of Sweden and Norway is to name one.

It will be remembered that, in my dispatch No.629 of March 26th last, I made mention of the probability that Japan would suggest to the Representatives of the contending Powers Chief Justice Fuller, as sole Arbitrator. I learn that that suggestion was informally made by the Minister for Foreign Affairs, but was not accepted,-that, subsequently, having agreed to the proposition of the Repersentatives of the three Powers concerned that the Arbitral Court should be composed of three members, the Minister suggested that, in event the one to be named by Japan and the one to be named by the three Powers could not agree upon an umpire, that President Roosevelt be agreed upon to

choose

Confidential

Confidential

choose one to act in that capacity and telegraphed the suggestion to London. Before receiving a reply, however,- which was found to be favorable when it came,-because of the opposition of the Representatives here of the three Powers, the Minister consented, in event of the contingency above stated, to the proposition to call upon the King of Sweden and Norway to choose the umpire.

Today the Minister for Foreign Affairs confidentially tells me that he has telegraphed Mr. Motono to urge upon his colleague, Mr. Renault, the choice of Chief Justice Fuller as umpire.

I have the honor to be,

Sir,

Your obedient servant,

W. S. Buck

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
DEC 3 1902
BUREAU.

No. 696.

November 6, 1902.

INDEX BUREAU
REC'D.
DEC
1
1902
DEPT. OF STATE

To War and Navy Depts. Dec 4

To Hay, Gen. Dec. 27

Mr. Buck

to the Secretary of State.

Subject:

Desire of the Japanese Government for cable connection with the United States via Guam.

UNITED STATES LEGATION.
TOKIO.

No. 696 November 6, 1902.

To the Honorable John Hay,
Secretary of State,
Washington, D. C.

Sir:

I have the honor to report that to-day, in conversation with Viscount Yoshikawa, Minister of Communications, he expressed a strong desire that the Commercial Cable Company, now laying a cable across the Pacific, should lay a branch from Guam to Japan, and for such information as I might be able to give him as to the plans of the Company in that respect. Having no knowledge on the subject I was unable to say more than that I presumed the Company would wish to make connection with Japan as it would doubtless be much for their interest to do so and that I would take occasion to make some inquiries about it. Hence I have the honor to request such information, if any, as the Department can give, respecting the purpose of the Company as to making such connection.

I am assured that the Japanese Government would afford every facility to the Commercial Cable Company possible to obtain cable connection with the United States by way of Guam.

I have the honor to be,
Sir,
Your obedient servant,

A. E. Buck

UNITED STATES LEGATION.
TOKIO.

No.697. November 11, 1902.

DIPLOMATIC BUREAU

Cable briefly, if not already done.

aaG

INDEX BUREAU
REC'D
DEC
1902
DEPT OF STATE

DEP'T OF STATE
DEC
11
1902
2ND ASST SECRETARY

Mr. Buck

to the Secretary of State.

INDEX BUREAU
FILED

SUBJECT:-Legation repairs. Telegraphic answer to Dis. No.676 requested.

file

UNITED STATES LEGATION.
TOKIO.

No. 697. November 11, 1902.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

Having as yet received no reply to my dispatch No. 676 of date August 23rd last requesting permission to draw upon the Department for $600.00 for repairs of the gate-house and sundry repairs of the main Legation building, I have the honor to ask that, if no reply has been made before the receipt of this dispatch, I may receive an answer by telegraph, as the repairs in part have already been made and payment very soon will be necessary.

I have the honor to be,

Sir,

Your obedient servant,

W. Pierce

U.S. Legation to Japan.

DEPARTMENT OF STATE,
WASHINGTON.

DIPLOMATIC
NOV 14 1902
BUREAU.

November 14, 1902.

RECEIVED
NOV 15 1902
DEPT OF STATE.

To the Honorable John Hay,
Secretary of State,
Washington, D.C.

S i r :

I have the honor to report my arrival the 3rd instant at my place of residence, having left Tokio on leave of absence the 3rd ultimo.

I have the honor to be, Sir,
Your obedient servant

Huntington Wilson,

Secretary of Legation.

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
DEC 11 1902
BUREAU

No. 698 November 14, 1902.

Copy to Interior Department, Dec. 15

Mr. Buck

to the Secretary of State.

INDEX BUREAU
DEC 17 1902
FILED

Subject:

Imitation of trade mark of Spencerian pen.

UNITED STATES LEGATION.
TOKIO.

No. 698 November 14, 1902.

To the Honorable John Hay,
Secretary of State,
Washington.

Sir:

I have the honor to report that I am in receipt of a communication (copy enclosed) from Messrs. Maruya & Co., a prominent Japanese firm dealing in books, stationery and supplies, in which it is stated that another Japanese merchant has had registered at the Patent Bureau a trade mark for pens and other stationery that bears a striking resemblance to that of the Spencerian pen manufactured by Ivison Blakeman, Taylor & Co. of New York City.

Maruya & Co.'s representative informs me that the Spencerian pen is used by most of the commercial schools throughout Japan, but that its sale, amounting to several thousand yen annually, is threatened by the imitated article which is manufactured for the patentee in England.

It will be observed that Messrs. Maruya & Co. state that the right to contest the trade mark will cease by limitation,and the importation of the Spencerian pen probably be prohibited,by April (May) of next year and that they desire to be furnished with a certificate of nationality and a power of attorney from the American manufacturers for the purpose of registering the original trade mark.

Sample boxes of the two kinds of pens are sent under separate cover.

I have the honor to be,
Sir,
Your obedient servant,

E. T. Buck

Enclosures

Enclosures:

1. Z.P. Maruya & Co to Mr. Buck, Nov. 5, -- copy.
2. Samples of original and imitated pens.

Copy.

Enclosure No. 1 with Mr. Buck's No. 698 of Nov. 14.

Z. P. MARUVA & CO., LTD (or) MARUZEN-KABUSHIKI-KAISHA, TOKYO.

November 5th, 1902.

His Excellency

Alfred E. Buck,

E.E. and M.P. of the United States of America at Tokyo.

Sir,

We have the honor to inform your Excellency that we were warned of the fact that the letters" TIGER NECK SPENCER " and a tiger's neck  had been registered as the trade mark for the PEN and other stationery at the Patent Bureau of the Imperial Government on the 8th of May, 1900, at the request of a stationer named Kihichi Ichikawa who keep shop at No. 5, 3 chome, Honcho, Nihonbashiku, Tokyo.

The trade mark registered at his request, however, bears striking resemblance to that of the " SPENCERIAN " Pen, manufactured by Ivison Blakeman,Taylor & Co.,(Successors Spencerian Pen Co.) 349 Broadway, Cor., Leonard St., New York,U.S.A. and imported and sold by us, Z.P. Maruya & Co., Tokyo.

It is needless to say that the above Kihichi Ichikawa has since then, by the right of precedency of the registration, been enjoying a monopoly of fair sale with the above trade mark on his stationery: our business in stationery having received a great set-back

Be that as it may, the worst of it is that if the matter be left in the present state, the manufacturers and the sellers of the genuine Spencerian pen may legally be punished and the importation

and the sale of the pen may be forbidden in Japan for the apparent reason that we, on the contrary, are imitating theirs, as we have neglected the application for the registration of the trade mark in accordance with the law in force.

Luckily, however, the law provides us with the right of requesting the cancellation of the trade mark on proper grounds within three years from the date of registration of the first; that is, our right ceases by April,1903 in this case. It is most necessary for us, therefore, to lose no time in requesting the Imperial Patent Bureau for the cancellation of "TIGER NECK SPENCER" and a tiger's neck  , and at the same time to request the registration of "SPENCERIAN" pen and tiger's neck anew.

In doing those legal processes we are in need of:

(1) An authenticated official certificate of the manufacturers' citizenship or nationality.

(2) The manufacturers' letter or power of attorney authorizing us to do so.

But our communications with the manufacturers in the U.S.stating the above details being very likely to take too much time to answer the purpose, we humbly beg your Excellency that steps be taken for the sake of the parties concerned on this and that side of the sea.

Believing that the present matter can not be arranged in time without your Excellency's assistance,

We are, Sir,

Yours respectfully,

and the sale of the pen may be forbidden in Japan for the apparent reason that we, on the contrary, are imitating theirs, as we have neglected the application for the registration of the trade mark in accordance with the law in force.

Luckily, however, the law provides us with the right of requesting the cancellation of the trade mark on proper grounds within three years from the date of registration of the first; that is, our right ceases by April,1903 in this case. It is most necessary for us, therefore, to lose no time in requesting the Imperial Patent Bureau for the cancellation of "TIGER NECK SPENCER" and a tiger's neck  , and at the same time to request the registration of "SPENCERIAN" pen and tiger's neck anew.

In doing those legal processes we are in need of:

(1) An authenticated official certificate of the manufacturers' citizenship or nationality.

(2) The manufacturers' letter power of attorney authorizing us to do so.

But our communications with the manufacturers in the U.S.stating the above details being very likely to take too much time to answer the purpose, we humbly beg your Excellency that steps be taken for the sake of the parties concerned on this and that side of the sea.

Believing that the present matter can not be arranged in time without your Excellency's assistance,

We are, Sir,

Yours respectfully,

Z. P. MARUYA & CO., LTD. (or) MARUZEN-KABUSHIKI-KAISHA, TOKYO.

COPY OF THE IMPERIAL PATENT BUREAU'S REGISTRATIONS

TRADE MARK. REGISTRATION.

No. 14,395.

MARK: "TIGER NECK SPENCER "

APPLICATION: January 26th, 1900

REGISTRATION: May, 8th, 1900

MERCHANDISE: No. 49: PEN,PENHOLDER,INK, & ALL OTHER STATIONERY.

KIHICHI ICHIKAWA,
No. 5, 3 chome, Honcho, Nihonbashiku,
Tokyo.

REGISTRATION No. 14484.

MARK: 

APPLICATION: November 10th, 1899

REGISTRATION: May 31st, 1900

MERCHANDISE: No. 49: PEN, PENHOLDER,INK, &c., &c.

KIHICHI ICHIKAWA.

UNITED STATES LEGATION.
TOKIO.

DEP'T OF STATE
DEC
18
1902
2ND ASST SECRETARY

DIPLOMATIC BUREAU
To Secy of Navy for information.
Adk.

No. 699.

DIPLOMATIC
DEC 13 1902
BUREAU.

November 17, 1902.

Secy and Secretary Navy

Mr. Buck

to the Secretary of State.

INDEX BUREAU
DEC 23 1902
FILED

Subject:

Proposed scheme of naval expansion.

UNITED STATES LEGATION.
TOKIO.

No. 699.

November 17, 1902.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to report that, it having been stated in the public press that it was the purpose of the Japanese Government to submit to the Diet, to assemble early next month, a program for a large increase of their navy, covering a period of ten years, requiring an expenditure of Yen 150,000,000 in the aggregate, it being rumored that as early as practicable three battleships were to be contracted for abroad, I visited the Foreign Office and the Navy Department to get reliable information on the subject, and to learn, in event of favorable action of the Diet, what opportunity there would be for American shipbuilders to compete for one or more of the battleships. I was informed by Baron Komura, Minister for Foreign Affairs, and also by the Vice Minister of the Navy, that the Diet was to be urged to provide for the increase of the Navy during the period and involving the large expenditure as above stated; that , if the scheme was favorably acted upon by the Diet, Japan, so far as possible, would build her own ships; that some of them might have to be contracted for abroad, but until the Diet had acted no consideration could be given to propositions to build any of them in other countries.

In event the naval program should be carried out, as it now seems probable that it will be, I inferred from responses to my statements of the ability of our shipbuilders to successfully compete with those of other countries and to expressions of my desire that some of their naval ves-

sels

sels might be contracted for in the United States, that at least as favorable consideration would be given to ours as to other foreign shipbuilders.

While Japan can probably build all of her smaller naval vessels, it is thought to be hardly possible to build her battleships, and in event of her undertaking to carry out such a scheme of naval expansion I shall hope and expect that American shipbuilders will have the opportunity to contract for some of them.

I have the honor to be,

Sir,

Your obedient servant,

W. E. Buck

DEP'T OF STATE
DEC
23
1902
2ND ASST SECRETARY

DIPLOMATIC BUREAU
To Postmaster General?
Ack. Ack.

UNITED STATES LEGATION.
TOKIO.

No. 700.

DIPLOMATIC
DEC 24 1902
BUREAU.

November 26, 1902.

Ordered and
To P.M. G.
Dec. 27

File
D. 4. 1

INDEX BUREAU
REC'D.
DEC
23
1902
DEPT STATE

Mr. Buck

to the Secretary of State.

INDEX BUREAU
DEC 27
REC'D

Subject:

Recent postal laws of Japan.

UNITED STATES LEGATION.
TOKIO.

No. 700. November 26, 1902.

To the Honorable John Hay,
Secretary of State,
Washington, D.C.

Sir:

I have the honor to enclose herewith a list of ordinances and notifications that have appeared in the Official Gazette during the present month relating to the postal service of Japan.

For the most part, as will be observed, these ordinances and notifications are the formal promulgation by the Japanese Government of the Acts of the Washington Postal Congress of 1897 entered into by this country, the originals of which are already on file at the Department. The more important of the regulations not already on file at Washington, i.e., Nos. 3 and 4 of the enclosed list, I have had translated and transmit herewith.

I have the honor to be,
Sir,
Your obedient servant,

J. E. Buck

Enclosures:

1. List of recent postal laws.
2. Translation of regulations for foreign mails.
3. " " " " " parcel post.

DIPLOMATIC BUREAU
Ack & file.
aaa

UNITED STATES LEGATION.
TOKIO.

DEP'T OF STATE
DEC
24
1902
2ND ASS'T SECRETARY

DIPLOMATIC
DEC 24 1902
BUREAU.

No. 701.

November 26, 1902.

INDEX BUREAU
REC'D.
DEC
23
1902
DEPT OF STATE

Ackd
Dec 27
C.

File
D.Y.D.

Mr. Buck

to the Secretary of State.

INDEX BUREAU
DEC 30 1902
DEPT OF STATE

Subject:

Selection of umpire in house tax arbitration.

UNITED STATES LEGATION.
TOKIO.

No. 701. November 26, 1902.

To the Honorable John Hay,
Secretary of State,
Washington, D.C.

Sir:

Referring to my despatch No. 695 of the 30th ultimo, concerning the selection of Mr. Motono and Mr. Renault as two of the Arbitrators of the issue joined between Japan and the three Powers protesting against the imposition of any municipal tax upon buildings erected upon property held under perpetual lease in the foreign settlements, and their power to select a third Arbitrator as umpire, I have the h honor to report that I have been kept informed by Baron Komura ,Minister for Foreign Affairs, of what has transpired up to this time respecting the efforts of the two Arbitrators to agree upon the selection of the third .

The proposal of the Japanese Government, made by Mr. Motono to his colleague, to agree upon Chief Justice Fuller as umpire, was not consented to by him (Mr. Renault),who, as Mr. Motono telegraphed, objected on the grounds that the Chief Justice, though reading French did not speak it, and that he was so far from Europe. Baron Komura replied that such objections were not to be recognized as sufficient grounds on which to reject the proposal, and instructed Mr. Motono to still insist upon the selection of the Chief Justice. Mr. Motono, having so insisted, telegraphed Baron Komura that Mr. Renault still opposed and presented as an additional ground of objection that the Chief Justice was regarded as favorable to the contention of Japan; whereupon the Baron again instructed him to still insist as

there

UNITED STATES LEGATION.
TOKIO.

No. 701. November 26, 1902.

To the Honorable John Hay,
Secretary of State,
Washington, D.C.

Sir:

Referring to my despatch No. 695 of the 30th ultimo, concerning the selection of Mr. Motono and Mr. Renault as two of the Arbitrators of the issue joined between Japan and the three Powers protesting against the imposition of any municipal tax upon buildings erected upon property held under perpetual lease in the foreign settlements, and their power to select a third Arbitrator as umpire, I have the h honor to report that I have been kept informed by Baron Komura ,Minister for Foreign Affairs, of what has transpired up to this time respecting the efforts of the two Arbitrators to agree upon the selection of the third .

The proposal of the Japanese Government, made by Mr. Motono to his colleague, to agree upon Chief Justice Fuller as umpire, was not consented to by him (Mr. Renault),who, as Mr. Motono telegraphed, objected on the grounds that the Chief Justice, though reading French did not speak it, and that he was so far from Europe. Baron Komura replied that such objections were not to be recognized as sufficient grounds on which to reject the proposal, and instructed Mr. Motono to still insist upon the selection of the Chief Justice. Mr. Motono, having so insisted, telegraphed Baron Komura that Mr. Renault still opposed and presented as an additional ground of objection that the Chief Justice was regarded as favorable to the contention of Japan; whereupon the Baron again instructed him to still insist as

there

there was no good reason to suppose that Chief Justice Fuller was so inclined.

I have the honor to be,

Sir,

Your obedient servant,

J. C. Buck

DIPLOMATIC BUREAU
DEC 24 1902
BUREAU.

UNITED STATES LEGATION.
TOKIO.

DEP'T OF STATE
DEC
24
1902
2ND ASST SECRETARY

Ans in sense of the annexed limation of Judge Penfield.
aaa

No. 702. December 1, 1902.

INDEX BUREAU
REC'D
DEC
23
1902
DEPT OF STATE

Ans 27 Dec
File
D. Y. S.

Mr. Buck,

to the Secretary of State.

Subject:

Reporting the request of the Interpreter of Legation for permission to build a house on the legation grounds.

Dear Mr Adel:

Inasmuch as Mr Miller merely occupies a clerical position and does not represent the work, is it not doubtful whether Congress would make the appropriation, personally as he

only asks permission to build the tower at their own expense. If you think so, please send "up" the amended draught, & if you approve

W.L.P

UNITED STATES LEGATION.
TOKIO.

No. 702. December 1, 1902.

To the Honorable John Hay,

Secretary of State,

Washington, D.C.

Sir:

I have the honor to state that about three weeks ago the house opposite the legation, occupied by Mr. Miller, Interpreter of the Legation, was destroyed by fire. In view of the great difficulty of procuring a suitable house in this vicinity I beg to report, with my approval, the request of Mr. Miller for permission to erect, at his own expense, a house upon the legation grounds.

As the land upon which the legation buildings stand is leased and not owned, and as, under the laws of Japan, such a building would be considered as a separate holding and not as a fixture belonging to the land, the title to the house could be registered in Mr. Miller's name and it could be removed or otherwise disposed of separately from the legation premises whenever circumstances required or the Department so instructed.

A building such as is desired can be erected at a cost of $3000 gold; and in view of the necessity of having the Interpreter of the Legation easily accessible, I have the honor to recommend that the permission requested by Mr. Miller be granted.

I have the honor to be,

Sir,

Your obedient servant,

W. E. Buck

File 1

UNITED STATES LEGATION.
TOKIO.

DEP'T OF STATE
DEC
23
1902
2ND ASST SECRETARY

DIPLOMATIC BUREAU
One to Treasury
One to War. Dept.
Ack. only

No. #

December 1, 1902.

INDEX BUREAU
REC'D.
DEC
23
1902
DEPT OF STATE

DIPLOMATIC
DEC 24 1902
BUREAU.

Ackd
To Treas. Dec 27.
C.

Mr. Buck

to the Secretary of State.

INDEX BUREAU
JAN 7 1903
FILED

Subject:

Transmitting official of revised tariff schedule.

UNITED STATES LEGATION.
TOKIO.

No. December 1, 1902.

To the Honorable John Hay,

Secretary of State,

Washington, D.C.

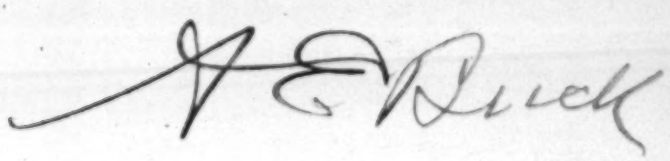
Sir:

Referring to my unnumbered dispatch of October 16th, last, transmitting a translation of the revised tariff schedule to go into effect on April 1st of next year, I have the honor to enclose herewith , for convenience of reference, three copies of the official translation of the schedule issued by the Treasury Department.

I have the honor to be,

Sir,

Your obedient servant,



Enclosures:

Three copies of official translation of revised tariff schedule.

THE

IMPERIAL ORDINANCE

RELATING TO

IMPORT SPECIFIC DUTIES.

(Promulgated on the 29th Sept. 1902.)

We hereby sanction the Amendment on the Import Specific Duties and Order the same to be duly promulgated.

(His Imperial Majesty's Sign Manual and Privy Seal.)

The 29th day of the 9th month of the 35th year of Meiji (1902).

BARON ARASUKE SONE,
The Minister of State for Finance.

IMPERIAL ORDINANCE (No. 219).

In accordance with Article III of the Customs Tariff Law, import specific duties are determined as set forth in the annexed Tariff.

SUPPLEMENTARY CLAUSES.

This Ordinance shall come into force on and after the 1st day of the 4th month of the 36th year of Meiji (1903).

Imperial Ordinance No. 220 promulgated in the 31st year of Meiji (1898) shall be abolished on and after the day when the Ordinance comes into force.

Tariff Nos.	Articles.	Unit.	Duties.
			yen.
	GROUP I.—Arms, armunitions, clocks, watches, instruments, apparatus, tools and machineries.		
23	Lead shots	100 kins	2.187
	GROUP II.—Beverages and comestibles.		
32	Biscuits:		
	a. sea biscuits	1 kin	0.021
	b. fancy biscuits	„	0.054
33	Butter	„	0.099
34	Cheese	„	0.062
35	Coffee, in the bean	„	0.064
38	Flour, wheat	100 kins	0.456
40	Ham and bacon	1 kin	0.065
41	Mutton, fresh	100 kins	2.383
42	Milk, condensed	1 dozen of 1lb tin and proportionately for tins of other weight.	0.347
44	Salt, sea and rock :		
	a. crude....	100 kins	0.082
	b. refined	„	1.768
45	Salt fish	„	0.709
46	Salted beef and pork in cask	„	2.020
47	Sekikassai (gelidium corneum)	„	0.590
50	Artificial butter	1 kin	0.057
	GROUP III.—Clothing and accessories.		
63	Undershirts and drawers, knit:		
	of cotton	1 dozen	1.642
	of wool	„	3.525
	of wool and cotton	„	2.165
	GROUP IV.—Drugs, chemicals and medicines.		
66	Acid, carbolic	1 kin	0.049
67	Do., salicylic	„	0.075
68	Do., tartaric	„	0.065

Tariff Nos.	Articles.	Unit.	Duties.
			yen.
70	Alum	100 kins	0.227
71	Antifebrin	1 kin	0.050
72	Antipyrin	„	0.361
74	Biakujutsu (radix atractylis ovata oralba)	100 kins	1.051
75	Bismuth, subnitrate of	1 kin	0.305
77	Borax (biborate of soda)	100 kins	1.116
78	Camphor, Blumea or Ngai	1 kin	0.466
79	Cassia and cinnamon bark	100 kins	0.902
80	Do. do. oil	1 kin	0.158
81	Cataria, leaf of	100 kins	0.680
82	Cinchona bark....	„	3.022
84	Cinnabar (hydrargyri sulphuritum rubrum)....	1 kin	0.098
85	Cloves	100 kins	1.822
86	Cocain, hydrochlorate of....	1 kin	18.498
89	Colombo	100 kins	0.997
91	Cutch and gambier	„	1.131
92	Gentian	„	1.077
93	Ginseng	1 kin	0.447
94	Glycerine	„	0.035
95	Gum, arabic	100 kins	1.463
96	Do., benzoin	„	1.110
99	Do., olibunum	„	1.141
100	Hops	1 kin	0.092
101	Jodoform	„	0.432
102	Ipecac	100 kins	67.033
103	Jalap	„	4.279
105	Liquorice....	„	0.939
106	Mawo (epedora vulgaris)	„	0.626
108	Morphine, hydrochlorate or sulphate of....	1 kin	4.654
109	Musk	„	41.175
110	Do., artificial....	„	10.494

Tariff Nos.	Articles.	Unit.	Duties.
			yen.
111	Nard or spikenard	100 kins	1.807
114	Potash, bromide of	1 kin	0.101
116	Do., iodide of	„	0.283
117	Putchuk	100 kins	1.706
118	Quinine, hydrochlorate or sulphate of	1 kin	1.322
119	Rosin	100 kins	0.348
120	Rhubarb, powdered or otherwise	„	1.392
121	Saffron	1 kin	1.718
122	Saltpetre (nitrate of potash)	100 kins	0.972
123	Santonine....	1 kin	0.967
124	Sarsaparilla	100 kins	2.175
125	Semen cyna	„	1.781
126	Shellac	1 kin	0.043
127	Soda ash	100 kins	0.394
128	Do., bicarbonate of....	„	0.367
129	Do., Caustic	„	0.633
130	Do., crystal or washing	„	0.423
131	Do., salicylate of	1 kin	0.115
132	Sojutsu (radix ataractyles lancea)	100 kins	0.532
133	Stick-lac	„	1.140
134	Vaseline	„	1.664
135	Wogon (radix scutellaria lanceolaria)	„	0.651
136	Acid, boracic	„	1.658
136	Do., acetic	1 kin	0.024
136	Tannin	100 kins	7.425
136	Ammonium, carbonate of	„	2.113
136	Creosote, carbonate of	1 kin	0.351
136	Potash bichromate of	100 kins	1.922
	GROUP V.—Dyes, colours and paints.		
139	Blue, prepared from minerals, dry or liquid....	100 kins	6.233
141	Cobalt, oxide of	„	47.308

Tariff Nos.	Articles.	Unit.	Duties.
			yen.
143	Emerald green....	1 kin	0.035
144	Galls of all kinds	100 kins	2.892
145	Gamboge....	„	5.924
146	Gold liquid	1 kin	18.339
147	Indigo, dry	100 kins	21.427
148	Do., liquid	„	7.137
150	Lead pigments of all colours	„	1.327
152	Logwood extract	„	2.166
153	Mangrove bark	„	0.149
154	Paint in oil	„	1.418
155	Saffrower....	„	2.498
156	Sapan-wood	„	0.234
158	Turmeric....	„	0.486
159	Ultramarine	„	1.793
160	Varnish	1 kin	0.044
161	Do., China	100 kins	4.173
162	Verdigris	„	3.678
163	Vermilion	1 kin	0.143
164	Wansho or gosu	100 kins	6.174
165	White zinc	„	1.313
166	Fustic extract	1 kin	0.022
	GROUP VI.—Glass and glass manufactures.		
167	Glass, window, ordinary uncolored and unstained....	100 sq. ft.	0.628
168	Glass, plate, silvered or unsilvered....	„	6.896
169	Glass beads, known as "Venetian beads"	100 kins	1.738
170	Glass, broken or powdered	„	0.065
	GROUP VII.—Grains and seeds.		
173	Barley	100 kins	0.106
174	Beans, soja	„	0.137
177	Seasame	„	0.250

Tariff Nos.	Articles.	Unit.	Duties.
			yen.
178	Wheat	100 kins	0.159
179	Cotton seeds	„	0.068
	GROUP VIII.—Horns, ivory, skins, hairs, shells etc.		
180	Bones, animal	100 kins	0.403
183	Pig bristle	„	8.594
185	Hides or skins, bull, ox, cow and buffalo, raw, dried, salted or pickled, and undressed....	„	1.176
186	Hides or skins, deer, raw, dried, salted or pickled, and undressed	„	2.121
187	Hides or skins, Samba (cervus elephas), raw, dried, salted or pickled, and undressed....	„	1.053
188	Hoofs, animal	„	0.172
189	Horns, bull, ox, cow, and buffalo	„	0.454
190	Horns, deer	„	0.915
192	Ivory or tusks, elephant....	1 kin	0.459
195	Ivory or teeth of walrus or sea-horse	„	0.112
196	Leather, sole	100 kins	10.137
197	Leather, sheep	„	12.706
197	Tanned hide, known as "India blood leather"	„	5.335
198	Tortoise shells:		
	a. shells, hoofs, and claws	1 kin	1.218
	b. all other	„	0.122
	GROUP IX.—Metals and metal manufactures.		
202	Antimony, ingot and slab	100 kins	0.391
	Brass:		
203	Bar and rod	„	5.195
203	Plate and sheet	„	4.748
204	Pipes and tubes	„	4.924
206	Brass, old, only fit for remanufacturing....	„	0.986
	Copper:		
208	Bar and rod	„	5.206

Tariff Nos.	Articles.	Unit.	Duties.
			yen.
208	Plate and sheet	100 kins	5.155
209	Nails	„	6.010
210	Pipes and tubes	„	5.948
211	Wire	„	6.306
213	Copper, old, only fit for remanufacturing	„	1.342
214	German silver, plate, sheet, rod, and wire	„	7.583
	Iron and Mild steel :		
215	Pig and ingot	„	0.113
217	Bar and rod exceeding 1/4 inch in any diameter	„	0.464
217	Hoops and band	„	0.502
218	T, angle and other similar manufactures	„	0.539
219	Rails	„	0.384
219	Dogspikes for rail	„	0.588
219	Fish plates for rail	„	0.471
220	Plate and sheet, corrugated	„	0.867
220	Do. do., excepting corrugated	„	0.499
221	Sheet, galvanized, corrugated, or otherwise	„	0.953
222	Plate, diagonal or checkered	„	0.486
224	Nails also wire nails including spikes, tacks, sprigs, and brads, plain	„	0.583
226	Tinned plates or sheets, plain....	„	0.961
227	Wire and small rod not exceeding 1/4 inch in diameter, not tinned	„	0.605
228	Wire, telegraph or galvanized	„	0.676
229	Wire-rope, galvanized	„	1.280
229	Do., otherwise	„	1.874
230	Do., galvanized or otherwise, old....	„	0.127
231	Old hoop iron, only fit for remanufacturing	„	0.141
231	Old wire and all other old iron or mild steel, only fit for remanufacturing	„	0.144
	Lead :		
232	Pig, ingot and slab	„	0.420

Tariff Nos.	Articles.	Unit.	Duties.
			yen.
233	Sheets	100 kins	0.982
234	Pipes and tubes	„	1.148
235	Mercury or quicksilver	„	7.617
236	Nickel	„	4.831
	Steel, other than mild steel:		
241	Bar and rod	„	1.699
241	Plate and sheet	„	0.689
243	Wire, and small rod not exceeding 1/4 inch in diameter	„	1.936
244	Wire, paragon (for umbrella ribs)	„	2.315
245	Wire-rope, galvanized or otherwise	„	2.654
246	Old files and all other old steel, only fit for re-manufacturing	„	0.256
	Tin:		
247	Block, ingot and slab	„	3.377
	Yellow metal and muntz's metal:		
250	Plate and sheet	„	4.042
251	Bar and rod	„	4.244
	Zinc:		
255	Block, ingot and slab	„	0.559
256	Sheet (No. 2 sheet excluded)	„	1.407
257	Old sheet and all other old zinc, only fit for remanufacturing	„	0.353
264	Bronze powder....	„	12.216
264	Tin foil	„	12.221
	GROUP X.—Oils and waxes.		
272	Candles of all kinds	100 kins	3.857
274	Oil, bean	„	0.914
275	Do., castor, in tin, cask or jar	„	1.193
276	Do., cocoa nut	„	1.387
277	Do., ground nut or pea-nut	„	1.293

Tariff Nos.	Articles.	Unit.	Duties.
			yen.
279	Oil, linseed, in tin or cask	100 kins	2.502
280	Do., olive, in tin or cask	„	3.043
283	Do., turpentine, in tin or cask	1 gallon	0.106
	GROUP XI.—Paper and stationeries.		
289	Ink :		
	lithographic ink	1 kin	0.118
	printing ink	„	0.028
292	Paper, printing	100 kins	1.569
293	Do. boards	„	1.449
	GROUP XII.—Sugar.		
299	Sugar, up to No. 15 exclusive, Dutch standard in colour	100 kins	0.271
300	Sugar, refined :		
	a. from No. 15 to No. 20 inclusive, Dutch standard in colour	„	1.540
	b. upward of No. 20, Dutch standard in colour	„	1.601
301	Sugar, rock candy	„	2.449
302	Molasses	„	0.131
	GROUP XIII.—Tissues, yarns, threads and raw materials used therefor.		
	Part I.		
304	Cotton yarns (plain or dyed)	100 kins	8.130
306	Book binder's cloth....	sq. yd.	0.026
307	Cotton damasks	„	0.032
308	Do. drills	„	0.024
309	Do. duck	„	0.097
310	Do. prints	„	0.023
311	Do. Sateens, plain, figured or printed; cotton brocades; cotton italians and figured shirtings	„	0.038
312	Do. velvet or velveteens	„	0.080
314	Shirtings, gray....	„	0.012
315	Do., white or bleached	„	0.018

Tariff Nos.	Articles.	Unit.	Duties.
			yen.
316	Shirtings, twilled	sq. yd.	0.023
317	Do., dyed	„	0.026
319	T-cloth	„	0.018
320	Turkey red cambrics	„	0.021
321	Victoria lawns....	„	0.010
322	Cotton mosquito nettings	„	0.023
322	Plushes and velvets, of cotton and silk mixed; the cotton, however, predominating in weight....	„	0.201
322	Cotton flannels....	„	0.033
	Part II.		
323	Woollen or carded and worsted or combed yarn of all kinds, plain or dyed	100 kins	12.360
324	Alpacas	sq. yd.	0.095
326	Buntings	„	0.048
327	Camlets, lastings and crape lastings	„	0.049
330	Flannels:		
	a. of wool	„	0.075
	b. of wool and cotton	„	0.072
331	Italian cloth	„	0.056
332	Long-ells....	„	0.056
333	Mousseline de lain, of wholly wool:		
	a. gray and white....	„	0.041
	b. dyed and printed	„	0.068
335	Serges where the warp is worsted and the weft woollen	„	0.077
336	Spanish stripes....	„	0.074
337	Woollen and worsted cloths:		
	a. of wholly woollen and worsted	„	0.166
	b. of wool and cotton	„	0.083
338	Woollen and worsted damasks	„	0.068
339	Woollen felt	„	0.061

Tariff Nos.	Articles.	Unit.	Duties.
			yen.
	Part III.		
341	Silk, raw	100 kins	79.716
341	Do., tussah	„	30.503
345	Do., crape, Chinese....	sq. yd.	0.277
346	Do., pongee, Chinese (kenchu)	„	0.058
347	Do. satin, Chinese....	„	0.432
348	Do. do, figured Chinese	„	0.285
349	Do. faced cotton satins	„	0.196
	Part IV.		
352	Flax or linen yarns, plain or dyed	100 kins	10.126
353	Do. do. threads, plain or dyed	1 kin	0.202
354	Do. do. canvas	sq. yd.	0.088
356	Do. damasks	„	0.091
	Part V.		
358	Blanketting and whipped blankets in plain weave	100 kins	12.887
358	Blankets of all kinds, single or piece	„	16.573
359	Carpets and carpettings, brussels	sq. yd.	0.412
360	Do. do., felt	„	0.073
361	Do. do., jute or hemp	„	0.096
362	Do. do., patent tapestry	„	0.215
364	Chikufu	„	0.042
366	Elastic boots webbing:		
	a. of silk in part	„	0.855
	b. all other	„	0.470
368	Handkerchiefs:		
	a. of cotton in piece	sq. yd.	0.025
	b. of cotton in single	1 dozen	0.068
	c. of linen in single	„	0.291
	d. of linen and cotton in single	„	0.180
370	Oil or leather cloths, for furniture etc.	sq. yd.	0.056
371	Oil cloths, and linoleum cloths for floor	„	0.119

Tariff Nos.	Articles.	Unit.	Duties.
			yen.
	GROUP XV.—Wines, liquors and spirits.		
387	Champagne and other similar sparkling wines, in case, containing 24 bottles not exceeding 1/2 litre each or containing 12 bottles, exceeding 1/2 litre and not exceeding 1 litre each	per case	9.136
397	Wine:		
	not exceeding 16 degrees in volume of pure alcohol:		
	a. in cask or barrels	1 litre	0.051
	b. in case, containing 24 bottles, not exceeding 1/2 litre each or containing 12 bottles, exceeding 1/2 litre and not exceeding 1 litre each	per case	2.972
	exceeding 16 degrees and not exceeding 24 degrees in volume of pure alcohol:		
	a. in cask or barrels	1 litre	0.177
	b. in case, containing 24 bottles, not exceeding 1/2 litre each, or containing 12 bottles, exceeding 1/2 litre and not exceeding 1 litre each	per case	4.693
	GROUP XVI.—Miscellaneous.		
400	Aloeswood	100 kins	12.581
404	Asbestos, in sheet or board	,,	1.268
412	Caoutchouc and gutta percha:		
	a. crude....	,,	5.855
	b. sheet	,,	17.905
418	Celluloid:		
	in sheet or rod....	1 kin	0.189
419	Cement, Portland	100 kins	0.102
420	Chalk and whiting	,,	0.245
423	Coal	per ton	1.129
424	Coke	,,	1.557
426	Cordage and ropes of flax, hemp, jute, Manila hemp or China grass, for rigging or otherwise....	100 kins	2.847
427	Cork bark	,,	0.990
428	Corks	,,	6.530

Tariff Nos.	Articles.	Unit.	Duties.
			yen.
430	Dynamite....	1 kin	0.061
436	Fishing-guts (tegusu)	100 kins	32.075
440	Funori (gleopertis intricata)	,,	0.286
443	Glue, common....	,,	0.886
445	Gun powder of all kinds, excluding the smokeless powder....	,,	4.944
446	Gypsum	,,	0.064
447	Hay....	,,	0.126
453	Tallow	,,	1.220
453	Lard	,,	1.868
453	Animal grease, excepting tallow and lard	,,	0.949
455	Malt....	,,	0.581
457	Matting, China, in roll of 40 yards	per roll	1.004
458	Do., cocoa....	sq. yd.	0.093
461	Oakum	100 kins	0.749
462	Packing, for steam engine	,,	5.835
464	Pitch	,,	0.149
464	Wood tar	,,	0.317
465	Plaster of Paris	,,	0.155
467	Plumbago or black lead....	,,	0.995
471	Pulp, for making paper	,,	0.342
472	Putty	,,	0.219
473	Rattans, split or otherwise	,,	0.482
475	Sandal wood	,,	1.085
478	Soap:		
	Common, for washing	,,	1.256
479	Soap stone, in lump or powdered	,,	0.127
484	Timber, santalum (shitan)	,,	0.166
485	Do., teak	100 c. ft.	10.035

The kin prescribed in the above Tariff is the legal weight of Japan.
The yard, foot, and inch are English surface measure.
The pound and ton are English avoirdupois weight.
The gallon is the standard wine measure of the United States of America.
The litre is the measure of capacity of the metric system.

FOR RELS. 1902.

32 (~~Dublicate~~)

DEPARTMENT OF STATE
DEC 4 4 10 PM 1902

DIPLOMATIC
DEC 8 1902
BUREAU.

TELEGRAM RECEIVED.

Secretary of State.
DEC 5 1902

17

From Tokio

Dec 4, 1902.

CHIEF CLERK'S OFFICE
RECEIVED

State, cont'd Dec 9

Received 3 56 P.M.

Alaska

Secretary of State.
DEC 1902

It is my painful duty
to announce, the sudden death today
of Minister Buck. In
accordance with instructions
to Diplomatic officers I
have assumed Charge as
Charge d'Affaires ad
interim

Ferguson

INDEX BUREAU
DEC 11 1902
FILED

File under U.S. Legation to Japan
31 Rdmm

DEPARTMENT OF STATE
DEC 5 10 [illegible] AM 1902
[illegible] OFFICER'S OFFICE
RECEIVED

TELEGRAM RECEIVED.

Dec 5, 1902

Secretary of State.
DEC 5 1902

From Chicago Ill
Date Dec 4, 1902.
Received 9 57 M. 5

To John Hay,
Secy of State.

In view of Colonel Bucks
death I am holding myself
in readiness to return
at once to my post
if you desire me to
do so

Yours respectfully,
Huntington Wilson,
6 Borden Block,

INDEX BUREAU
DEC 9

TELEGRAM RECEIVED IN CIPHER.

DIPLOMATIC
DEC 6 1902
BUREAU.

DEP'T OF STATE
DEC
5
1902
2ND ASST SECRETARY

DIPLOMATIC BUREAU

From Tokio,

December 5, 1902.

Received 12.56 P. M.

ASSISTANT SECRETARY,
DEC 6 1902

Secretary of State,

Washington.

Minister Buck's death caused by paralysis of the heart. Occurred at the Imperial hunting preserves, near Tokio. Funeral takes place here eighth. Full official honors will be extended by the Japanese Government, as in the case of Minister Swift.

Widow will probably leave Yokohama 24th with the body for burial at Arlington. Respectfully recommend that Military Attaché be granted telegraphic authority accompany remains to Washington and return as soon as possible to his post.

FERGUSON

INDEX BUREAU
DEC 11 1902
FILED

Ciphered by JRB, Chief Clerk's Office, 1.19 P. M.

UNITED STATES LEGATION.
TOKIO, JAPAN.

No.703.

December 7, 1902.

INDEX BUREAU RECD. DEC 30 1902 DEPT OF STATE

DIPLOMATIC DEC 30 1902 BUREAU.

DEP'T OF STATE DEC 30 1902 2ND ASST SECRETARY

DIPLOMATIC BUREAU

Ack with grateful appreciation of the considerate action of the Japanese Govt &c.
Show to the Press.

Dec 31, 1902.

Mr. Ferguson

to the Secretary of State.

INDEX BUREAU JAN 6 1903 FILED

SUBJECT:- Death of Minister Buck.

UNITED STATES LEGATION.
TOKIO, JAPAN.

No. 703. December 7, 1902.

To the Honorable John Hay,
Secretary of State,
Washington.

Sir:

I have the honor to confirm the reading of my telegram to the Department sent on the evening of the 4th instant, as follows:

"Secstate, Washington.

"It is my painful duty to announce the sudden death "today of Minister Buck. In accordance with instructions "to diplomatic officers I have assumed charge as Charge' "d'Affaires ad interim.

"Ferguson."

The circumstances attending this sad event are, somewhat, as follows:

Mr.Buck, accompanied by Major Wood, military attache' of this Legation, Mrs.Wood and myself, attended the annual Duck Snaring Party, given at the command of H.M the Emperor, on the Imperial Hunting Preserves at Shinhama, a locality on the outskirts of Tokio, some 10 miles from this Legation, over a route practicable only half way by carriage.

Mr.Buck reached the villa just inside the entrance to the grounds at 9.50 a.m. and, along with other guests belonging to the Diplomatic Corps and members of the Court, was welcomed on behalf of the Emperor by T.I.H. Prince and Princess Kanin. It was noticed by all the guests, as by myself, that Mr.BUck seemed in the best of health and in the most buoyant high spirits, as he always looked forward with especial delight to this annual Party.

Shortly

Shortly before eleven o'clock he formed one of a party, which was to proceed some 300 yards farther into the grounds to the place where the wild ducks are taken. The party had been gone but a few minutes, when some attendants came running back to the villa with word of the sudden illness of Mr.Buck. It appears he was about to take his appointed place when he suddenly sank to the ground with a groan, and, as subsequently learned from the physicians' report, expired immediately. Assistance was quickly rendered and he was carried back to the villa.

Telegraphic messages for physicians were dispatched, and, before the arrival of the first doctor, an hour later, every possible effort was made by those present to restore consciousness but, as from the first, without avail. The first doctor, after endeavoring to induce artificial respiration and administering stimulating injections, pronounced life extinct, as did the second physician, who had been summoned by Prince Kanin, after like efforts at resuscitation: their joint "Certificate of Death" I have the honor to enclose herewith in translation, though given too late to include in the telegram above confirmed. The Court Physician, Dr.Ishikawa, dispatched to Shinhama by the Emperor on learning of Mr. Buck's illness, was met as the remains were being transported back to Tokio.

After the two physicians had given their opinion, I had the body carried on a litter from the place of death to this Legation, where at the end of a journey occupying over four hours, it was placed. The news of this sad occurence had reached the city long before the arrival of the remains, and H.M.the Empress had sent one of her Ladies in waiting to console Mrs.Buck in her grief.

After

After reaching the Legation with the body, acting on "Instruction to Diplomatic Officers," I assumed charge, sending to the Department the above mentioned telegram and addressing notes to the Minister for Foreign Affairs announcing the death of Mr.Buck and the assumption on my part of the duties of Charge d'affaires ad interim (Copies of this correspondence with replies thereto enclosed herewith). At the same time I informed each of the chiefs of mission of this sad event (Copies of notes to and from the Doyen of the Diplomatic Corps enclosed herewith).

The U.S.Consul General and Consuls in Japan were informed by telegraph as, also, was Rear Admiral Evans, Commander-in-Chief of the U.S.Naval Force, Asiatic Station,--copies of these communications it seems unnecessary to transmit.

On Friday, Dec.5, I had the honor to send a second telegraphic dispatch to the Department which, deciphered, reads as follows:

"Secstate, Washington.

" Minister Buck's death, caused by paralysis of the heart, "occurred at the Imperial Hunting Preserves near Tokyo . "Funeral takes place here eighth. Full official honors "will be extended by the Japanese Government, as in the case "of Minister Swift. Widow will probably leave Yokohama "twenty fourth with the body for burial at Arlington. "Respectfully recommend that Military Attaché be granted "telegraphic authority to accompany remains to Washington, "D.C. and return as soon as possible to his post.

" Ferguson "

The reason for omitting in my first telegraphic message the causes , which lead to Mr. Buck's death, has been explained

explained above.

Immediate preparations were made for the funeral, which is to take place in Trinity Cathedral, Tokio, at 11 a.m. on Monday morning the eighth of December. The procedure, as in the case of the late Minister Swift, will be largely followed, except that the official honors offered by the Japanese Government will terminate at the Railway Station in Tokio. The body will be conveyed by special train to Yokohama, accompanied by the members of this Legation, where it will be met unofficially by the American citizens of that port and escorted to the U.S. Naval Hospital, there to remain until transshipped to America.

It is the widow's intention to convey the remains, so soon as all arrangements can be made, to Washington for interment in the National Cemetery at Arlington, So taking into consideration the great distance from that destination, the shock caused by suddenness of the death of her beloved husband, and the comparatively small numbers of near relatives of Mrs. Buck in America, it seemed to me right and proper to respectfully request that the Department have telegraphic authority granted to Major O.E.Wood, Military Attache' of this Legation, to accompanying the remains to Washington and then to return to his post.

Further in connection with the death of Mrs. Buck, I have the honor to report that on the 5th instant Mr.Hineno, Chamberlain, was dispatched to this Legation, bearing asympathetic message of condolence from the Emperor, followed shortly by Miss Kitajima, Lady in Waiting, on behalf of the Empress with a like message, accompanying it with

a gift

a gift of flowers from Her Majesty. The following morning Mr. Honda was sent to the Legation by the Prince Imperial. These visits I immediately acknowledged in person.

Representatives of all the other members of the Imperial Family were sent to the Legation with like messages.

All the members of the Cabinet, the high officials of the Government, the Diplomatic Corps, have come in person to offer their condolences; and, in this connection, it seems proper to mention the untiring and spontaneous kindness of the Minister for Foreign Affairs and the officials of the Foreign Office as well as that of the Imperial Household Department, in aiding this Legation to arrange the many details of Mr. Buck's funeral, which, owing to the short time until the ceremony, might have proved troublesome without this kind assistance; and mention must be made of the personal testimonials of sympathy, in such numbers and of such evident sincerity, from American citizens, from persons of other nationalities in Japan, and from the Japanese people in every walk of life, which well attest the honor and esteem in which the late Minister Buck was held.

I have the honor to enclose herewith clippings in duplicate, from various newspapers, recording in some measures the general feeling here expressed by the press on this sad occasion.

I have the honor to be,

Sir,

Your obedient servant,

John M. Ferguson.

Chargé d'affaires ad interim.

ENCLOSURES:- As above stated.

Enclosure No 1, with Mr. Fryer's No 703, December 7, 1902

Translation.

CERTIFICATE OF DEATH.

His Excellency, A. E. Buck,
Envoy Extraordinary and Minister Plenipotentiary
of the United States.

This is to certify that the above-named had a hemorrhage of the brain at the Shinhama Imperial Preserves in Chiba Prefecture on the 4th day of December, 1902, at 10.45 A.M., and all measures taken having proved unavailing, he died of heart paralysis.

(Signed) Takeichi Shozo, M.D.,
Gyotoku-cho, Higashi Kasshika
Gori, Chiba Ken.
Nagao Shuichi, 3rd Surgeon, I.J.A.
Chief of the Konodai Military
Hospital.

Correct Translation
R. Spyller
U. S. [illegible]
of Legation

Enclosure No 2, with Mr. Ferguson's No 703, of December 7, 1902.

Copy.

December 4th, 1902.

To His Excellency

Baron Komura Jutaro

His Imperial Japanese Majesty's

Minister for Foreign Affairs.

Monsieur le Ministre;

It is my painful duty to convey to Your Excellency the sorrowful intelligence of the sudden death, from paralysis of the heart, of my Chief, the Honorable Alfred E.Buck, Envoy Extraordinary and Minister Plenipotentiary of the United States, which sad event occurred at Shinhama this morning about forty-five minutes past ten o'clock.

I avail myself of this occasion to present to Your Excellency the assurances of my highest consideration.

John Mackintosh Ferguson,

Chargé d'affaires ad interim.

Copy.

December 4, 1908.

To His Excellency,

Baron Komura Jutaro

His Imperial Japanese Majesty's

Minister for Foregin Affairs.

Monsieur le Minister:

I have the honor to inform Your Excellency that in compliance with the general instructions issued by the Government of the United States to its diplomatic officers, I have to-day assumed charge of this Legation as Chargé d'affaires, ad interim.

I avail myself of this occasion to renew to Your Excellency the assurances of my highest consideration.

John Mackintosh Ferguson,

Chargé d'affaires ad interim.

Copy.

Department of Foreign Affairs,
Tokio, December 5, 1902.

John M.Ferguson, esqu.
Chargé d'affaires ad interim
of the United States of America.

Sir:-

It was with the most profound sorrow that I received intimation contained in your note of yesterday's date of the decease of His Excellency Alfred E.BUck, the United States Minister, at Shinhama at 10.45 a.m. yesterday.

I take this opportunity to express my high appreciation of the late Minister's successful efforts in strengthening and more closely cementing the friendly relations between the two countries during his residence in this country since 1897 as the representative of the United States. I beg to express my sincere grief at his decease and on behalf of the Imperial Government to convey through you my most respectful condolences to the United States Government and to Mrs.Buck.

Accept, Sir, the renewed assurances of my high consideration.

Signed: Baron Komura Jutaro
Minister for Foreign Affairs.

Copy.

Department of Foreign Affairs,
Tokio, December 5, 1902.

John M.Ferguson, Esqu.
Chargé d'affaires ad interim
of the United States of America.

Sir:-

I beg to acknowledge the receipt of your note of yesterday's date informing me that you have assumed charge of the United States Legation as Chargé d'affaires ad interim.

Accept, Sir, the assurances of my high consideration.

Signed: Baron Komura Jutaro,
Minister for Foreign Affairs.

Enclosure No 3., with Mr. Ferguson's No 703, December 7, 1902.

Copy.

December 4, 1902.

Monsieur le Ministre,

It is my painful duty to convey to Your Excellency the sorrowful intelligence of the death, from the paralysis of the heart, of my beloved chief, the Honorable Alfred E. Buck, Envoy Extraordinary and Minister Plenipotentiary of the United States, which event occurred at Shinhama this morning at about forty five minutes after ten o'clock.

I avail myself etc. etc. etc.

John Mackintosh Ferguson,
Charge d'Affaires.

To His Excellency
Mr. Jules Harmand,
Envoy Extraordinary and Minister Plenipotentiary
etc. etc. etc.
Tokio.

Copy.

Tokio, le 5 decembre 1902.

Monsieur le Chargé d'Affaires et Cher Collegue,

En vous accusant réception de votre communication en date d'hier, j'ai l'honneur de vous exprimer a nouveau mes plus profondes condoléances et de vous dire que je m'associe de tout coeur à votre deuil et à la douleur de Madame Buck, à laquelle je vous prie de vouloir bien transmettre, en cette triste circonstance, l'expression de mes très respectueuses sympathies.

En ma qualite de Doyen, je fais passer à nos Collegues une circulaire leur proposant de conserver leur pavillon en berne jusqu'à la cérémonie funèbre dont j'ignore encore la date et leur soumettant le texte d'un télégramme unanime de condoleances à expédier à l'Honorable M. John Hay, Secrétaire d'Etat, en témoignage de l'affectueuse estime que nous avions tous pour le Colonel Buck et des regrets que nous inspire sa perte.

Agreez, M. le Charge d'Affaires et Cher Collegue, les assurances de ma consideration la plus distinguée
et de mes sentiments sincèrement devoués.

J. Harmand.

Translation.

Tokio, 5 December 1902.

Monsieur le Chrge d'Affaires et Cher Collegue,

Acknowledging the receipt of your communication of yesterday's date, I have the honor of expressing to you again my most profound condolences and saying to you that I associate with all my heart in your mourning and the sorrow of Mrs. Buck, to whom I beg you to kindly transmit, under this sad circumstance, the expression of my most respectful sympathies.

In my capacity as dean, I sent a circular to our Colleagues, proposing them to keep their flag at half mast until after the funeral ceremony, of which I do not as yet know the date, and at the same time submitting the text of a joint telegram of condolence to be sent to the Honorable Mr. John Hay, Secretary of State, in order to manifest the affectionate esteem which all of us held for Col. Buck and the regret which his demise has caused us.

Please accept, etc. etc. etc.

Signed: J Harmand.

Enclosure No. 4 with Mr. Ferguson's
No. 703 of Dec. 7, 1902.

The Japan Gazette.

YOKOHAMA, 5TH DECEMBER, 1902.

THE DEATH OF U.S. MINISTER BUCK.

As we reported in our last evening's issue the death of U.S. Minister Alfred E. Buck took place at the Imperial preserve at Shinhama, Chiba. Among those present at the duck hunting party there yesterday were T. I. H. Prince and Princess Kan-in, the Representatives of England, Switzerland, the United States, Austria, Germany, China, Korea, Mexico, and their ladies, Viscount and Viscountess Tanaka, Miss Kogawa, Baron and Baroness Sannomiya and others. The party arrived at Shinhama at 10.30 and at once proceeded to the netting of ducks. Colonel Buck was standing at the western side of No. 8 pond, a net in hand, waiting for a signal, when he suddenly staggered and fell to the ground. He was at once conveyed to the rest-house where various means were tried to call him back to life. At about 11.50 o'clock Dr. Takeichi arrived from Gyôtoku and tried stimulating injections and artificial respiration but in vain. Later, Surgeon Nagao, of the Military Hospital at Konodai, arrived on horse-back. His treatment also failed to revive the Minister. At 2 o'clock the remains of the Minister were carried to the Legation in Tokyo on a stretcher, followed by Mr. Ferguson, Secretary of the Legation, Viscount and Viscountess Tanaka, Baron and Baroness Sannomiya and others. Mrs. Buck was not present at the party owing to indisposition.

The following appeared in the local press at the time of Mr. Buck's appointment, which was dated April 18th, 1897:—

It would appear that the post of U.S. Minister to Japan under the McKinley administration was much sought after. Mr. Henry C. Payne, of Milwaukee, it is said, was offered choice of certain foreign missions, and himself preferred Japan, "where there is but little pomp and circumstance and a good opportunity to promote America commerce;" but his wife "would rather go to Europe." Mr. Horace Clerk, of Illinois, included Japan in the list of posts which he was willing to fill. Mr. E. T. Mason, of New York, and ex-Minister Frank L. Coombs, of California, were also candidates for this particular mission. But a man who was announced as a candidate for the Brazilian mission eventually secured the appointment to Japan. The Hon. Alfred E. Buck of Atlanta, Georgia, the new Minister, is a native of Texeroft, Maine; son of a Baptist deacon; and a graduate of Colby University (then Waterville College), Maine, in the class of 1859. He chose law as a profession; but, when the war broke out, entered the Federal army, and attained the rank of Colonel. After the war he settled down to the practice of his profession in Atlanta, Georgia; but soon went into politics. Her made a reputation as provost marshal, and filled other important positions, and has been a leader of the Republican party in the strongly Democratic state of Georgia. Mr. Buck is spoken of as a man of great sturdiness of character, upright, and sincere. He is now probably over 60 years of age.

He arrived in Japan by the *Peru* on June 28th, 1897, accompanied by Mrs. Buck, Colonel Rice, the Military Attaché and his wife and his second secretary. His appearance was impressive, being over 6 feet tall and powerfully built and his intellectual features gave those who received him confidence in his representative character. In his private capacity, he was known as an old man of the most kindly heart, always open to and often imposed upon by alleged pitiful appeals. Many stories are related of this amiable trait of character. He was a patron of all local sports, invariably giving a prize at the Yachting Club Regatta, giving *carte blanche* to the Commodore in regard to same on such occasions, and could always be relied upon to support local enterprises. He was a member of several local clubs.

At the time of going to press, it had been practically decided at Tokyo to hold the funeral service on Monday, the 8th inst. at 10 a.m.

The Japan Daily Herald.

FRIDAY, DECEMBER 5TH, 1902.

DEATH.

Died on Thursday, December 4th, 1902, at 10 45 a.m.,
ALFRED E. BUCK,
Envoy Extraordinary and Minister Plenipotentiary of the United States to Japan.

DEATH OF THE AMERICAN MINISTER.

A SUDDEN END.

We regret to announce the death of Colonel Buck, the United States Minister to Tokyo, the sad event taking place suddenly yesterday morning at 11 a.m. in Shiba Palace Park, the cause of death being heart disease.

Colonel Buck formed one of a number of guests who had been invited by the Emperor to take part in a duck-hunting party. It was while engaged in the sport that the end came, apparently without any warning. Doctors were immediately summoned, the Emperor, to whom the news was communicated by the Minister of the Household, ordering Dr. Ishikawa, the Court Physician, to attend on the Minister. All efforts to restore animation were unavailing, however, and later the body was removed to the United States Legation. Mrs. Buck was not present at the party, being confined to her room by a cold.

Colonel Buck was in his seventy-first year. He was appointed Minister in 1897 in succession to Mr. Dunn, and arrived in this country on June 28th in that year. His sudden death caused general regret among the foreign community, by whom he was held in great respect. All the flags throughout Yokohama to-day were half-masted.

The tidings of the sudden death of Colonel Buck, says the *Japan Advertiser*, will be received with genuine grief by every American in Japan who has in any way come into contact with the kindly gentleman so long and so honourably representing the interests of the Republic in the high office entrusted to him. Nor will the sorrow at his departure be confined to his nationality, for seldom has one of the foreign diplomatic corps made so many warm friends among those with whom he had to deal. Especially among the Japanese officials, with whom he was brought by the duties of his office into intimate relations, will his loss be deeply deplored. There was that in his innate courtesy which from the very first won the heart of a people to whom courtesy is the chiefest of the duties which man owes to man, and it was manifestly that virtue which gave him his commanding influence in his dealings with the Government to which he was accredited. It is ever and always the gentleman *par excellence* who is sure to win his way to the Japanese heart. And when to his kindly courtesy was so manifestly added a keen sense of justice which led him ever to take the fair and dispassionate view of every question coming before him, there is no need to seek further for the source of his popularity and success. America has had a long line of distinguished representatives at the Imperial Japanese Court, but seldom one so completely representing the spirit of fairness and of straightforwardness which has come to be recognized as the genius of American diplomacy.

The *Japan Mail* says that "a strenuous political career had aged him prematurely, and for a long time it had been evident to his intimate friends that his tenure of life was frail. He was a man of rare beauty of disposition none that knew him could fail to love him, and he leaves behind him in this country a memory that will long be cherished."

The *Japan Times* also refers in sympathetic terms to the late Minister and says:—

"By the death of this high-minded, courteous and dignified old gentleman, Japan has lost one of the best friends it ever had, and the American diplomatic service one of its picturesque figures. We do not know what State of the Union the late Colonel hailed from, but to our mind he was always the *beau idéal* of the southern gentleman, the man who combined the courtesy of the Spanish hidalgo with the firmness of a Washington and the hospitable instincts of a Knight of Gwynné.

"Among Japanese he was, as we have just remarked, always intensely popular; and on this point we should be able to speak with some authority for we are Japanese ourselves. His circular to his nationals here on the coming into force of the revised treaties was only one of a number of such documents he issued during his long sojourn amongst us, all indicative of the seriousness with which the writer regarded his position and its responsibilities—a seriousness that seems to us to be the very salt of public life, an ingredient which is often wanting, however, especially in America. His serious outlook on life was partly due, perhaps, to his strong religious instincts. These instincts not all of us have got, but even those amongst us who are most indifferent to Christianity could not fail to notice and approve of the appropriateness, from an artistic point of view, of the final austere touch, the slight shade of Puritanism in this old-fashioned and manly character."

The Japan Daily Herald.

SATURDAY, DECEMBER 6TH, 1902.

THE FUNERAL OF THE LATE UNITED STATES MINISTER

The funeral service of Colonel Buck, the late United States Minister, will be held in Trinity Cathedral, Tsukiji, on Monday morning, Dec. 8th, at 11 o'clock. After the service the body will be conveyed, under escort, to Shimbashi station.

As the seating capacity of the Cathedral is limited, citizens of the United States and others desiring to attend are kindly requested to obtain cards for the service from the American Legation or the Consulate-General at Yokohama after midday on Saturday, the 6th instant.

Yesterday afternoon the Emperor and the Empress sent messengers to the United States Legation to convey their sincere condolence over the death of Colonel Buck, the late Minister. The Imperial messages were delivered to Mrs. Buck and Mr. Ferguson, the Chargé d'Affairs. The Crown Prince and Princess also sent a messenger for the same purpose.

Count Katsura and the Ministers of State and high officials and private gentlemen also called at the Legation to express their condolences. The Legations of the various Powers had their flags placed at half-mast.

All the leading vernacular papers comment in sympathetic terms on the late Minister, some of them giving portraits of the deceased gentleman. Below we extract a few passeges from the lead-papers:—

The *Jiji* says: "Special relations have existed between the two countries ever since the opening of the Empire to foreign intercourse and commerce. The cordial feeling that existed has deepened with the development of both States. This was no doubt attributable to the mutual desire for peace as well as the unity of the interests and sentiment held in common by both Powers. It cannot be denied, however, that the deceased gentleman has contributed much to bringing about these satisfactory relations by his amiable and sincere disposition which won him the general respect and influence both in political and social circles. His services were of great assistance in the promotion of the peace and happiness of both States, and therefore his sudden death is all the more to be regretted."

The *Kokumin Shimbun* says: "The goodwill and sincerity shown by the deceased towards the Japanese Government and its people while he was in office is widely appreciated by us. The instruction which he issued to the American residents in this empire at the time the revised treaties came into operation and which was largely reproduced in all the principal newspapers, no doubt contributed towards bringing about the closer friendly relations between the two nations."

The *Hochi Shimbun* says: "The more we knew him the more were we struck by the sincere and amiable qualities of his character. He was beyond doubt the most desirable and fittest representative for the United States, which requires the services of a diplomat who is sincere and upright, true to his word, and righteous in his conduct. We were glad to have such a good representative from a friendly Power, and we much regret his loss."

The *Tokyo Nichi Nichi* says: "That he has commanded the general respect of Japanese and foreigners since he took up his post in Tokyo hardly needs repetition. Every one who knew him admitted him to be a devout Christian and amiable gentleman, simple and unostentatious in his life. Besides these admirable qualities he possessed a good business capacity. He was greatly respected by his staff, and his example was a model to others in ruling their conduct. He was never known to have uttered a harsh word. Many instances might be cited to show how eager he was to do service to his own countrymen even in small matters hardly worth his personal attention. The good will he had towards the empire was proved by his action in connection with the quarantine question in Hawaii in which the Government was involved. Our deep sympathy goes to Mrs. Buck in her bereavement, and it is universally hoped that she may have consolation at this time of her sudden misfortune."

Japan Daily Advertiser.

YOKOHAMA, SATURDAY, DEC. 6, 1902.

The Late Minister Buck.

No finer tribute could be paid to the memory of the late Minister of the United States than the accord of praise and grief in which the Japanese press have joined bearing testimony to the depth of the impression he has made upon the country to which he was accredited. All the papers dwell upon the leading characteristic of his nature noted in our comments in yesterday's issue, namely, the quality of innate courtesy which appeals so strongly to the instincts of this people.

In speaking, however, of Minister Buck's native and eminent kindliness, the fact should not be lost sight of that, combined with his gentle disposition, there was an even stronger aspect of his nature no less marked than his kindliness. Gentle indeed he was, but also stern and unyielding in his devotion to conscience and principle. Of this his whole career bears ample witness. Born in a small town in Northern Maine and early inured to the rigors of a severe climate, he won his way by sturdy force of character to a University education, graduating at Waterville in 1859. Like so many college bred men of that time, the great Civil War called him into the service of his country, a service to which, in various military and civil capacities, he gave his whole life. Casting his lot, after the war, in the as yet unreconstructed South, the story of his devotion to its interests, in those troublous times of transition, and of his winning his way to the highest esteem in spite of the social obloquy which his position entailed, bears witness to the steadfastness of a nature based upon unyielding obedience to conviction and unbending devotion to principle. His was the noblest of triumphs when the men who were once bent upon lynching him, joined at last in a testimonial of admiration and respect for him as one of nature's noblemen. It is from out one of the stormiest of lives that this gentlest of the knights of conscience, his duty done, now lies at rest.

The Japan Times.

TOKYO, SUNDAY, DEC. 7TH, 1902.

A WORD OF SYMPATHY.

TO-MORROW will be laid to rest the remains of his late Excellency Colonel Buck, Minister of the United States of North America to Japan, and this morning a special service will be conducted in his memory in all the churches throughout this country, to say nothing of those in America. We deem this a fit occasion therefore to express our deep regret and sorrow for the sudden end of this excellent diplomat.

If in any one way more than another he was very American and very democratic, it was in his being approachable. He did not hedge himself around with guards and safeguards, checks and counter-checks: he did not insist on introductions from prominent people, and give humble fellow citizens who came to see him just seven minutes wherein to say their say. In other words he was a strong man.

The late Minister was here on and off for five years and, as we said before, he was liked by our people. When he went home some years ago there was a report that he would not come back, and it is not too much to say that it caused something like consternation among his Japanese friends in official circles here. The joy of those friends on his return to this country was proportionately great.

It is not often that we have to speak in this way for it is not often that a foreign Minister dies in Japan. Our words may therefore appear to some to be merely formal expressions of grief. But they are more than that. They express a real sense of loss, and a real sorrow that this kindly old foreign gentleman has been so suddenly snatched away.

To his widow and his surviving relatives we finally extend our warmest sympathy. To say anything of what Mrs. Buck in particular must have suffered during these last few days and especially on Thursday would be more than unnecessary—it would be in bad taste. We therefore refrain.

UNITED STATES LEGATION.
TOKIO, JAPAN.

DEPT OF STATE
DEC 30 1902
2ND ASST SECRETARY

DIPLOMATIC BUREAU
To Treasury
Advise as Treasury may reply
aag

DIPLOMATIC
DEC 30 1902
BUREAU

No. 704.

December 8, 1902.

INDEX BUREAU
REC'D.
DEC

✓ To Treasury Dec. 31

✓ Answ. Jan. 6

Mr. Ferguson,

to the Secretary of State.

INDEX BUREAU
JAN 7
FILED

Subject:

Requesting free entry for Mrs. Buck's effects.

UNITED STATES LEGATION.
TOKIO, JAPAN.

No.704. December 8, 1902.

To the Honorable Jon Hay,

Secretary of State,

Washington,D.C.

Sir:

Referring to my despatch No. 703 of the 7th instant, reporting Mrs. Buck's intention to return to the United States so soon as she conveniently can, I have the honor to request that instructions may kindly be issued to the Customs authorities at San Francisco to enter her personal effects at that port free of duty, and to facilitate her in every way possible on her sad mission.

The exact date of her arrival at San Francisco will be communicated to the authorities there as soon as it is definitely known.

I have the honor to be,

Sir,

Your obedient servant,

John M. Ferguson.

Japan.

TELEGRAM RECEIVED. 5-3 Ans'd

STATE

10 12 AM 1902

CLERK'S OFFICE
RECEIVED

From Calcutta

Secretary of State.
DEC 10 1902

Dec 10, 1902.

Received 10 11 AM.

Secretary Hay,

Washn

On arrivge Calcutta today find Consul through misunderstanding represented me to Viceroy as Government Envoy Durbar causing Viceroy communicate yr placing me most Embarrasing position x have studiously avoided any suggestion and always corrected any impression that I was Government official x Please protect me if any publicity which hope not x

John Barrett

INDEX BUREAU
DEC 15 1902
FILED

DIPLOMATIC BUREAU
Ack & file.

UNITED STATES LEGATION.
TOKIO, JAPAN.

DEP'T OF STATE
JAN 8 1903
2ND ASST SECRETARY

DIPLOMATIC
JAN 8 1903
BUREAU.

No. 705.

December 10, 1902.

INDEX BUREAU
REC'D.
JAN 7 1903
DEPT. OF STATE

Ack'd Jan 9 C.

File Sgl.

Mr. Ferguson,

to the Secretary of State.

Subject:

The opening of the 17th session of the Diet.

INDEX BUREAU
JAN 13 1903
FILED

UNITED STATES LEGATION.
TOKIO, JAPAN.

No. 705.

December 10, 1902.

To the Honorable John Hay,

Secretary of State,

Washington, D. C.

Sir:

I have the honor to report that the 17th session of the Japanese Diet was formally opened by the Emperor in person yesterday, the ninth instant. A translation copy of the Emperor's remarks on that occasion is herewith enclosed.

The events leading up to the present session of Parliament have been of unusual political interest. A large proportion of the numbers of the Lower House returned at the last general election (a report of which was given in Mr. Buck's No. 674 of August 21, 1902) had secured their election by pledging themselves to a reduction of the land tax, now 3.3 per cent of the assessed value, to its former rate of 2.5 per cent. The local branches of the two principal political parties put themselves publicly on record in that sense, and later the general meetings of the parties, held in Tokyo shortly before the opening of the session, adopted similar resolutions.

On the other hand, the Government early announced its determination to introduce measures for the extension of the Navy (see Mr. Buck's No. 699 of November 17), based upon the continuation of the land tax at its present rate. The ground taken by the Cabinet was that the necessity for such naval extension was unquestionable, if Japan were to retain her position in the East, and that there was no adequate and stable source of revenue other than the continuation of the land tax at its present rate.

It is understood that the Cabinet, before publicly announcing

nouncing its programme, had obtained the sanction of the Emperor, who made an obvious reference in the Imperial Speech to the necessity of further provision for the national armament; and it is apparent that the Cabinet's programme is endorsed by a strong majority in the House of Peers.

Until within a few days of the opening of Parliament interest centered in Marquis Ito, Elder Statesman and President of the Constitutional Party, who up to that time had kept the public in suspense as to his own position. It was not known whether he would support the measures of the Cabinet (with whom he has been in personal sympathy) at the risk of severing his party, or take stand with his party and propose some other solution of the problems confronting the nation. At the general meeting of the Constitutionalists held on December 4th Marquis Ito announced his opinion that the naval increment was a necessary measure, but that, as the people of the country were opposed to the continuation of the present land tax, the requisite funds should be obtained by administrative economies.

A prearranged meeting recently held between Marquis Ito and Count Okuma, leader of the second largest political party, the Progressives, has suggested the possibility of a coalition between the two. The Japanese press as a whole is of the opinion that a collision between the Government, supported by a majority in the Upper House and an influential section of the Senior Statesmen; and an overwhelming majority in the Lower House, led by Marquis Ito and Count Okuma, is inevitable; and that such a collision must be followed by the dissolution of the Diet or a change in the Ministry.

I have the honor to be,
Sir,
Your obedient servant,

John M. Ferguson.

Enclosure with Mr. Fujii's dispatch No. 705, of December 10, 1902.

IMPERIAL SPEECH.

We hereby perform the opening ceremony of the Imperial Diet and inform the members of the House of Peers and the House of Representatives:-

That the relations of our Empire with the Treaty Powers have grown in intimacy, and that, to Our profound satisfaction, matters relating to the North-China complication have been settled in a timely manner so as to restore peace to the Far East.

That We have directed Our Ministers of State to present for deliberation by the Diet a Budget and various projects of law based on a policy adopted to the circumstances of the time, to the ample provision of national defences, and to the essentials of the country's prosperous development. We trust that you will carefully consider these matters, and will bring to the discharge of your duties of consent a spirit of harmony and conciliation.

UNITED STATES LEGATION.
TOKIO, JAPAN.

RECEIVED. JAN 7 1903 BUR. ACCOUNTS. DEP. OF STATE.

No. #

INDEX BUREAU RECD. JAN 7 1903

December 10, 1902.

File

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to transmit herewith statement of my account as Second Secretary of Legation from October 1 to December 3, inclusive, 1902.

I have the honor to be,

Sir,

Your obedient servant,

John M. Ferguson.

INDEX BUREAU JAN 10 1903 FILED

Rec'd, Bu. Acc'ts

Enclosure:

Statement of account as noted.

UNITED STATES LEGATION.
TOKIO, JAPAN.

DEP'T OF STATE
JAN
8
1903
DIPLOMATIC BUREAU

Ack with renewed appreciation.
Give to Press.

DIPLOMATIC
JAN 8 1903
BUREAU.

No. 706. December 10, 1902.

INDEX BUREAU
REC'D.
JAN
7
1903
DEPT OF STATE

Acted Jan 14, 1903

Mr. Ferguson

to the Secretary of State.

SUBJECT:-Funeral Mr. Buck.

INDEX BUREAU
JAN 16 1903
FILED

UNITED STATES LEGATION.
TOKIO, JAPAN.

No. 706.

December 10, 1902.

To the Honorable John Hay,
Secretary of State,
Washington, D. C.

Sir:

Supplementing my despatch No. 703 of the 7th instant relative to the sad circumstances attending the death of my late Chief, The Honorable Alfred E. Buck, I have the honor to report that, at 2.30 p. m. on Monday the 8th instant, his remains were placed in the United States Naval Hospital at Yokohama pending their removal to the United States.

On the evening preceding the public funeral his remains were quietly taken, under escort of police furnished by the Japanese Government and followed by a number of personal friends, from this legation to Trinity Cathedral, Tokio, where they lay in state, under guard, until the next day. The public funeral service, at 11 a. m. on the 8th instant, was brief, simple, and very impressive, and was attended by representatives of His Majesty the Emperor, Her Majesty the Empress and His Imperial Highness the Crown Prince, as well as by those of all other members of the Imperial Family. The Ministers of State, the Diplomatic Corps, Consular Body of Yokohama, and all the United States Consular Representatives in Japan, besides great numbers of the most distinguished men of this country, American citizens and persons of other nationalities, were in attendance. Shortly before the service a wreath from His Majesty the Emperor was placed upon the coffin. At the conclusion of the service the coffin was carried from the church by a detail of United States Marines and Blue-jackets

from

from the United States Naval Hospital, with the Minister for Foreign Affairs, the Envoys of Belgium, France, Spain, and Austria, and U. S. Consul General Bellows acting, at my request, as Honorary Pall-bearers. During the service minute-guns were fired by a battery of artillery stationed in the vicinity of the Cathedral. The remains were taken to the Shimbashi Railway Station, Tokio, under escort of a guard of honor consisting of one-half the First Army Division and accompanied by those who had assisted at the service. At the Station the official ceremony ended. The remains, accompanied by the members of this legation, were conveyed by special train to Yokohama and there met unofficially by the Governor of Kanagawa Ken, the acting Mayor of Yokohama, and other Japanese officials, together with representative American citizens of that port, and, under police escort and followed by this company, were taken to the place fitted for them in the United States Naval Hospital. I formally placed the body of the late Minister under the care of Dr. G. E. H. Harmon, U. S. N., in charge of the hospital, until such a time as the widow shall have completed her arrangements for conveyance to the United States.

In connection with the various arrangements connected with the public funeral, I have the honor to enclose herewith, (marked A), for your information, copies of various communications exchanged between the Minister for Foreign Affairs, the Belgian Minister, and myself. And it is my duty to add that, from the death of the late Minister until his remains were placed in the United States Naval Hospital at Yokohama, nothing could exceed the unremitting assistance, so graciously offered, of the officials of the Foreign Office, the members of the Imperial Household Department, as well as of the Colleagues of the late Mr. Buck.

The day following the funeral I went to the palace to

thank

thank Their Majesties, through the Ministers of their households, for the honors done our late Representative, inscribed my name at the Crown Prince's Palace, as well as at the residences of the other Princes of the Imperial Family; and the same day addressed a note of thanks to the Minister for Foreign Affairs. (Copy, enclosure marked B). I have called for the same purpose at the official residences of all the Cabinet Ministers as well as at all the Legations, and in like manner acknowledgment has been made to all others who had offered their condolences.

For your further information, is inclosed herewith (marked C) duplicate copies of the "Japan Mail", December9, 1902, and a duplicate translation of an editorial in the "Kokumin Shimbun" of like date.

I have the honor to be,

Sir,

Your obedient servant,

John Ten Eyck.

Enclosures:- As above noted.

Enclosure A, with Mr. Ferguson's dispatch No. 706, December 10, 1902.

Copy.

December 5, 1902.

To His Excellency

Baron Komura Jutaro,

His Imperial Japanese Majesty's

Minister for Foreign Affairs.

Monsieur le Ministre,

I have the honor to inform Your Excellency that it has been decided that the remains of the late Minister Buck will be quietly conveyed from this legation on the evening of the 7th instant, at about 6 o'clock, to the Protestant Cathedral in Tsukiji, where the remains will lie in state until the morning of the 8th instant at 11 o'clock when a funeral service will be held.

After the service the procession will form and proceed from the Cathedral to the railway station at Shimbashi, where the official part of the ceremony will end.

If a guard can be furnished to escort the remains from the legation to the Cathedral in Tsukiji, and to remain during the night of the 7th instant, it will be most highly appreciated.

I avail myself of this occasion to renew to Your Excellency the assurances of my highest consideration.

John Mackintosh Ferguson.

Copy

Translation.

No. 51.

Department of Foreign Affairs,

Tokio, December 6, 1902.

John M. Ferguson, Esquire,

Charge d'Affaires ad interim

of the United States of America.

Sir:-

In acknowledging the receipt of your note of yesterday's date informing me that it has been decided that the remains of the late United States Minister Buck will be conveyed from your legation on the evening of the 7th instant at about 6 o'clock to the Protestant Cathedral in Tsukiji, where the remains will lie in state until the morning of the 8th instant at 11 o'clock, when a funeral service will be held, that after the service the procession will form and proceed from the Cathedral to the railway station at Shimbashi, where the official part will end and that you desire to have a guard furnished to escort the remains from the legation to the Cathedral in Tsukiji and to remain there during the night, I beg to state that as to the desired guard I have at once issued informations to the Authorities concerned.

Accept, Sir, the renewed assurances of my high consideration.

Signed: Baron Komura Jutaro,

Minister for Foreign Affairs.

Copy

Translation.

No. 50.

Department of Foreign Affairs,

Tokio, December 6, 1902.

John M. Ferguson, Esquire,

Charge d'Affaires ad interim

of the United States of America.

Sir,

I beg to inform you that on the occasion of the late United States Minster, Colonel Alfred E. Buck, one-half of the First Army Division will attend it as guard of honor, and that minute gun will be discharged.

Accept, Sir, the renewed assurances of my high consideration.

Signed: Baron Komura Jutaro,

Minister for Foreign Affairs.

Copy

Translation.

No. 49.

Department of Foreign Affairs,

Tokio, December 6, 1902.

John M. Ferguson,

Charge d'Affaires ad interim,

of the United States of America.

Sir:-

I beg to inform you that Their Majesties the Emperor and the Empress have been graciously pleased to announce their intention to dispatch Baron Sannomiya Yoshitane, Grand Master of Ceremonies and Mr. Yamanouchi Katsuaki, Assistant Grand Master of the Empress' Court, respectively, to attend the funeral service for His Excellency the late Colonel Alfred E. Buck, the Minister of the United States, which is to take place at 11 a. m. on the 8th instant at the Protestant Cathedral, Tsukiji.

Accept, Sir, the renewed assurances of my high consideration.

Signed: Baron Komura Jutaro,

Minster for Foreign Affairs.

Copy

Translation.

Department of Foreign Affairs,

Tokio, December 7, 1902.

John M. Ferguson, Esquire,

Charge d'Affaires

of the United States of America.

Sir,

I beg to inform you that I am in receipt of a note from the Grand Master, Services to His Imperial Highness the Crown Prince, intimating me that His Imperial Highness the Crown Prince intends to dispatch Mr. S. Honda, Chamberlain to His Imperial Highness the Crown Prince, to attend the funeral service for the late Minister of the United States Colonel Alfred E. Buck, which is to take place at 11 a. m. on the 8th instant at the Protestant Cathedral in Tsukiji.

Accept, Sir, the renewed assurances of my high consideration.

Signed: Baron Komura Jutaro,

Minister for Foreign Affairs.

Copy.

December 6th ,1902.

Monsieur le Ministre,

I have the honor to inform Your Excellency that, with the advice of His Excellency M. Harmand the Dean of the Diplomatic Corps, it seemed fitting to me to suggest that on the occasion of the funeral service of my late beloved Chief, his Colleagues and those with whom he has been thrown into most intimate official relations, might desire, as a token of their esteem, to escort his body from its position in the Cathedral as far as the door.

In pursuance of this idea I beg to request that, if it meet with your approval, Your Excellency will consent to take part in this last sad office in the capacity mentioned.

I avail myself of this occasion to renew to Your Excellency the assurances of my highest consideration.

John Mackintosh Ferguson,
Charge d'Affaires ad interim.

To His Excellency
Baron Komura Jutaro,
His Imperial Japanese Majesty's
Minister for Foreign Affairs.

Copy.

December 6th 1902.

Monsieur le Ministre,

I have the honor to inform Your Excellency that, with the advice of His Excellency M. Harmand, the Dean of the Diplomatic Corps, it seemed fitting to me to suggest that, on the occasion of the funeral service of my late beloved Chief, his Colleagues and those with whom he has been thrown into most intimate official relations, might desire, as a token of their esteem, to escort his body from its position in the Cathedral as far as the door.

In pursuance of this idea, I beg to request that, if it meet with your approval, Your Excellency will consent to take part in this last sad office in the capacity mentioned.

I avail myself of this occasion to present to Your Excellency the assurances of my highest consideration.

John Mackintosh Ferguson,
Charge d'Affaires ad interim.

To His Excellency
Baron d'Anethan,
etc. etc. etc.,
Minister of Belgium.

Enclosure B. with Mr. Ferguson's No. 706, December 10, 1902.

Copy.

No. 386.

December 8, 1902.

To His Excellency

Baron Komura Jutaro,

His Imperial Majesty's

Minister for Foreign Affairs.

Monsieur le Ministre,

It is with deepest gratitude that I have to express to Your Excellency on behalf of my Government and of Mrs. Buck, my high appreciation of the honors paid to the memory of the late Minister of the United States to Japan, Mr. Buck, by the presence of the Representatives of Their Imperial Majesties, The Emperor and The Empress, and of His Imperial Highness, The Crown Prince at the funeral service to-day and by the attendance of so many high dignitaries of His Imperial Majesty's Government as well as by the escort of a guard of honor.

I desire to express through Your Excellency my grateful thanks to those officials and officers of the Imperial Government who have so kindly and efficiently directed and assisted in the necessary arrangements of these last few days; especially to the members of the Foreign Office and of the Imperial Household Department having in charge the funeral ceremony, to the War Department and the officers in command of the guard of honor, and to the officials of Tokyo and of Yokohama who provided the escort of police.

By the next outgoing mail I purpose to communicate to my Government in full detail the particulars of the kind manifestations of sympathy and respect on the part of Your Excellency's Government.

I avail myself, etc. etc. etc..

Signed John Mackintosh Ferguson.

Enclosure 2. with Hon. Ferguson's dispatch No. 706, December 10, 1902.

The Japan Daily Mail.

YOKOHAMA, TUESDAY, DECEMBER 9, 1902.

THE FUNERAL OF THE HONOURABLE COLONEL BUCK.

It need scarcely be said that the funeral of the late Representative of the United States at the Court of Japan, which took place on the 8th instant, was a remarkably imposing ceremony. Japanese officials were not likely to be perfunctory in paying the last tribute of respect to the memory of a man who, representing the nation which has always been closest to Japan's heart, himself possessed qualities that must have won affection and reverence under any circumstances. The Tsukiji Cathedral was filled to over-flowing. It seemed that the whole of the American and British communities of Tokyo and many persons from Yokohama were in attendance, and in the numerous rows of pews reserved for official accommodation the entire Corps Diplomatique, from Chef de Mission to Student Interpreter, might be seen, all in full uniform, while on the opposite side of the aisle a still greater number of seats were occupied by Japanese Ministers of State—both those in office at present and those formerly in office, among the latter being Field Marshal Marquis Oyama, Count Matsukata and Count Okuma—, officers of the Army and Navy, and a large contingent from every Department of State as well as the Imperial Household. No public ceremony was connected with the transport of the remains from the Legation. The mourners, on assembling in the Cathedral, found that the coffin had already been placed in the chancel, where it rested among a wealth of wreathes and other floral tributes, some of imposing dimensions—as that sent by His Majesty the Emperor—and some remarkable less for wealth of decorative effect than for beauty of arrangement and rarity of blossoms. Anticipating that special measures would be necessary to preserve some measure of proportion between the limited size of the Cathedral and the crowd of mourners, the officials of the United States Legation had announced that only those provided with tickets could count on obtaining seats, but it will be readily understood that many who had not been so fortunate as to secure tickets, repaired to the scene at an early hour in the hope of finding space; a hope which was not disappointed, for steps had been taken to place chairs and benches in every available part, thus greatly extending the normal accommodation of the building. It may appropriately be noted here that much forethought had evidently been given by the Legation officials to every detail of the ceremony. Things worked smoothly from first to last; so smoothly that no consciousness of effort obtruded itself in the marshalling of the great throng, the conduct of the service, the removal of the coffin and the organization of the long cortege which accompanied it to the railway depot at Shimbashi. For although, as already noted, the transport from the Legation to the Cathedral was altogether private, that from the Cathedral to Shimbashi lacked no detail of ceremonious observance, the hearse being preceded and followed by a large body of Japanese troops and by a number of officers of the United States Navy. Precisely at 11 o'clock, the hour fixed for the commencement of the service, Baron Sannomiya, Grand Master of Ceremonies, representing His Majesty the Emperor, walked up the aisle, conducted by Mr. J. Ferguson, Chargé d'Affaires of the United States Legation, and was followed immediately by the whole body of Episcopalian Clergy in Japan, British and American. The service was performed by the Rev. E. W. Woodman, the Right Reverend Bishop McKim reading the lesson and pronouncing the benediction. Two hymns were sung—very beautifully and impressively—, "Rock of Ages" and "Nearer my God to Thee," and as a body of U.S. Naval officers bore the coffin shoulder-high from the chancel the organ played the Dead March in "Saul." No funeral sermon being preached, the whole ceremony within the Cathedral did not occupy more than forty minutes, a result evidently judicious in consideration of the cosmopolitan character of the congregation. Unhappily the day proved cold and wet, but inclemency of weather certainly did not curtail the attendance, and probably passed almost unnoticed by the crowd of mourners who assembled to evince their sorrow for the loss of a true Christian gentleman and able official, as well as their profound sympathy with his bereaved widow.

Yokohama was reached by the special train abont 1.35, and at the station a large number of American residents and Japanese officials, including Governor Sufu, Mr. Rinoiye, Secretary of the Kencho, and Mr. Saito, the Acting-Mayor, were waiting to receive the coffin. On the train there also travelled the United States Legation officials and the Consular officials at Yokohama. The coffin, which was covered with the Stars and Stripes, was after some delay, rendered necessary by the provision of a suitable platform, removed from the car by a party of marines, and was borne by them to the hearse which was waiting outside the station. The progress to the U.S. Naval Hospital was very slow, so that it was 2.20 when the procession reached the Bluff. There the coffin and the floral tributes were carried in by U.S. marines and bluejackets and placed in the mortuary specially prepared for the occasion. The walls of this are covered with black and white cloth with flower decoration. When the coffin had been placed on its stand Mr. Ferguson, U. S. Chargé d'Affaires, formally handed over care of the late Minister's remains to Dr. Harmon, in charge of the U.S. Hospital.

They will lie in their present repository till Mrs. Buck departs for the United States, when they will accompany her, probably on the P.M. steamer *Korea*.

THE LATE COLONEL BUCK,

U. S. Minister.

(Editorial of the Kokumin Shimbun,

December 9, 1902.)

The funeral service of Mr. Buck, the late Minister of the United States of America, was conducted to-day at the Trinity Cathedral at Tsukiji. Without the church a guard of honor from the Imperial Army was stationed; within the building there were present foreign representatives, high dignitaries of the Government and the other leading personages of Japan, all in full uniform. The solemn hymns sung and the solemn service read formed a fitting farewell to the deceased worthy.

I cannot find any proper words for expressing my condolences. The late Minister was not only an able Minister for his own country, but a good friend of this country. Any one who knew him could not deny the loyalty, generosity and impartiality of his character.

Col. Buck came to his post here, just when America appeared for the first time on the stage of Imperialism. Since then, there occurred one after another a number of momentous events, such as the Annexation of Hawaii, the War between Spain and America, the Conquest of Cuba, the Occupation of the Philippine Islands and the Opening of China. If, therefore, the Minister had not been so able as he was, chances for collision would never have been wanting. I may add that it was at the very moment when the Hawaiian trouble had taken place that he arrived in this country.

Standing amidst these tumultuous events, the late

Minister, who was ever ready to realize the wise teaching that honesty is the best policy, not only took pains for advancing the interests and the credit of his own country, but conducted himself in such an admirable way as to fill with respect and love the hearts of the people of the country where he was stationed.

As examples of this, I may here allude to his efforts, when the new Treaties came into force, to smooth the way of transition to the new regime by giving timely warnings to the American residents here, his conciliatory position towards the House Tax Question, and his friendly manner of managing the Hawaiian Quarantine Affair and the Marcus Island Question. In these respects no one could deny the equity and impartiality of his measures.

His diplomacy, however, was not yielding. When once his conclusions were reached, he was firm and inflexible in his convictions. This can be proved by the persistence with which he insisted upon his opinion when a question arose as regards the imposition of the Customs Duties upon alcohol imported by the American Trading Company. I firmly believe, however, that no one, however much he might differ in his opinion from the Minister, could entertain any ill feeling towards him.

The late Minister was born in northern Maine, and studied law in his early days. In the American Civil War he enlisted on the side of the North, and rose to the rank of Colonel. Later he removed his domicile to southern Georgia, and stood foremost in making efforts to ~~give~~ gain a place for the Republican Party, though this part of America had always been a stronghold of the Democrats. When Mr.

MacKinley, one of his best personal friends, was elected, President, Col. Buck was appointed Minister to Japan at his own wish.

It was a fortunate coincidence for me that when he was on his way to this country, I, on my way home from a world trip, took the same boat with him from San Francisco. Being introduced by Dr. Harris, the benefator of the Japanese on the Pacific Coast, we shook hands for the first time at the Golden Gate on board the s.s. Peru. Thereafter I had the pleasure of being an intimate friend of the Minister and his devoted wife, pious and well-read. This acquaintance was the last, and one of the greatest, if not the greatest, souvenirs I brought home from my last trip.

The Minister was always prompt in frankly stating his own views. He highly commended the long-cherished desire of our Kokumin Shimbun, which has always entertained the utmost good will towards America, that America's efforts should be directed towards the development of the Orient, that Japan and America should co-operate to promote their common interests in this quarter of the world and that America's activities in this direction should never be interfered ~~in~~ with but cordially welcomed. I very frequently exchanged opinions with him on these subjects, and it was our common belief that this exchange of opinions was never merely an occasion for flattering remarks.

Some time ago, when the Americans on the Pacific Coast were dissatisfied with the impartial measures taken by the Minister and attempted to displace him, our Kokumin Shimbun, before all others, spoke strongly against the movement, warning the American Government of the injustice of such action. Fortunately the Washington Government was

not moved by the agitation, but retained the Minister in his position. The assassination of the late President MacKinley last Fall, however, seems to have been a severe blow to the Minister. One can easily imagine how one in advanced years would miss an intimate friend. This was perhaps the reason why he lately appeared so depressed in mind in spite of his usual cheerfulness.

I often saw his large and powerful figure strolling in the vicinity of Toranomon and Aoizaka for an evening walk. The last time I saw him was at the Chrysanthemun Garden Party at Baron Sone's, Minister of Finance, where I had a chat with the Colonel and his beloved wife about the flowers and other topics. How little we then thought that that would be our last meeting!

I have no more to say at present. May Heaven be merciful and bestow blessings upon the bereaved wife!

JAN 8 1903
BUREAU.

UNITED STATES LEGATION.
TOKIO, JAPAN.

No.707. December 12, 1902.

INDEX BUREAU
RECD.
JAN
7
1903
DEPT. OF STATE

File S.F.

Acd
Jan. 7/10
C.

Mr. Ferguson

to the Secretary of State.

INDEX BUREAU
JAN 13 1903
FILED

SUBJECT:-House Tax Arbitration. Unpire chosen.

JAN 8 1903
BUREAU.

UNITED STATES LEGATION.
TOKIO, JAPAN.

No.707. December 12, 1902.

INDEX BUREAU
RECD.
JAN
7
1903
DEPT. OF STATE

File
Sif.

Acd
Jan 9 10
C.

Mr. Ferguson

to the Secretary of State.

INDEX BUREAU
JAN 13 1903
FILED

SUBJECT:-House Tax Arbitration. Unpire chosen.

UNITED STATES LEGATION.
TOKIO, JAPAN.

No.707. December 12, 1902.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to report that Mr. I. Motono, Arbitrator for Japan, and Mr. Louis Renault, Arbitrator for the the three protesting Powers, of the "House Tax Question", so called, have conjointly chosen, as Umpire, Mr. Gregers Gram, once Minister of State of Norway, Governor of Provence at Hamar, Norway, and one of the Arbitrators on the Bering Sea Fur Seal Court of Arbitration.

I have the honor to be,

Sir,

Your obedient servant,

John M. Toyama.

CHINA & JAPAN TRADING COMPANY LIMITED
NEW YORK
NOV
11
1901
4 BURLING SLIP

The China Association.

1901.

Devizes:
"GAZETTE" PRINTING WORKS.

The China Association.

1901.

President:

SIR THOMAS SUTHERLAND, G.C.M.G.

Chairman of Committee:

MR. W. KESWICK, M.P.

Vice-Chairman:

SIR ALFRED DENT, K.C.M.G.

Hon. Secretary:

MR. R. S. GUNDRY.

General Committee:

Sir Thomas Sutherland, G.C.M.G.
Sir Robert Jardine, Bart.
Sir E. A. Sassoon, Bart., M.P.
Sir Cecil C. Smith, G.C.M.G.
Sir Ewen Cameron, K.C.M.G.
Sir Alfred Dent, K.C.M.G.
Sir R. T. Rennie.
Sir E. J. Ackroyd.
Sir Thomas Hanbury, K.C.V.O.
Mr. E. F. Alford.
Mr. R. Anderson.
Mr. F. Anderson.
Mr. A. R. Burkill
Mr. Byron Brenan, C.M.G.
Mr. F. Cornes.
Mr. Herbert Dent.
Mr. G. B. Dodwell.
Mr. R. M. Gray.
Mr. R. S. Gundry.
Mr. J. H. Gwyther.
Mr. G. Jamieson, C.M.G.
Mr. H. H. Joseph.
Mr. W. Keswick, M.P.
Mr. J. A. Maitland.
Mr. A. Michie.
Mr. D. Reid.
Mr. T. W. Richardson.
Mr. D. C. Rutherford.
Mr. J. H. Scott.
Mr. W. M. Strachan.
Mr. W. A. Turnbull.
Mr. W. C. Ward.
Mr. W. S. Young.
Mr. A. Zimmern.

Shanghai Committee:

Mr. C. J. Dudgeon, *Chairman.*

Mr. H. M. Bevis.
Mr. W. J. Gresson.
Mr. E. A. Hewett.
Mr. D. McNeill.
Mr. G. J. Morrison.
Mr. J. L. Scott.
Mr. E. B. Skottowe.
Mr. A. Wright.
Mr. Leonard Kerr, *Sec. and Treas.*

Hongkong Committee:

Mr. J. J. Francis, K.C., *Chairman.*

Mr. C. P. Chater, C.M.G.
Mr. G. H. Medhurst.
Mr. C. S. Sharp.
Mr. R. Shewan.
Mr. Murray Stewart.
Mr. T. H. Whitehead.
Mr. R. Chatterton Wilcox.
E. W. Mitchell, *Hon. Secretary.*

Yokohama Committee:

Mr. J. P. Mollison, *Chairman.*

Mr. Jas. Dodds.
Mr. J. D. Hutchison.
Mr. D. Jackson.
Mr. A. G. M. Weale.
Mr. E. F. Kilby, *Hon. Sec. and Treas.*

Kobe Committee:

Mr. A. H. Groom, *Chairman.*

Mr. R. H. Cook.
Mr. T. W. Hellyer.
Mr. G. J. Melhuish.
Mr. R. W. H. Wood.
Mr. R. Young.
Mr. F. J. Abbott, *Hon. Sec. and Treas.*

Bankers:

Hongkong and Shanghai Bank, 31, Lombard Street, E.C.

Honorary Solicitors:

Messrs. Stephenson, Harwood & Co.

The following correspondence is published for the information of Members of the Association, pending the appearance of the Annual Report in March next.

APPENDIX A.

THE POLITICAL SITUATION.

China Association to Foreign Office.

159, Canon Street, 25th April, 1901.

My Lord,

Viewing with anxiety the prolongation of existing conditions in North China, the Association desires to suggest for your Lordship's consideration whether it would be possible to hasten a conclusion by transferring negotiations regarding the amount and method of collection of the proposed Indemnity to Europe.

The delay is due, no doubt, in great measure to causes incidental to the necessity of harmonising various and occasionally divergent views. Still, if the Association is correct in assuming that all questions have to be referred by Ministers on the spot to their respective Governments for decision, it appears that much time must inevitably be lost in the process.

Perhaps because the conditions are different, the success which attended the administration of Canton under the Council appointed by the Allies, in 1858, has not been conspicuous in North China. It is feared, on the contrary, that much ruin is being wrought, and that the foundation of future ill-feeling is being laid. The conditions in Chihli at the present time appear, indeed, to be tending towards anarchy, with the consequent risk of prolonged disorder and of the turbulent elements which have been so lately rampant in this region regaining headway.

It appears eminently desirable, if these assumptions are justified, that a point should be reached at which the native Executive can be re-established. The framework of Chinese administration is loosely knit; but it suffices, under ordinary conditions, to maintain order among a people who are disposed to be orderly in ordinary times. It is, at any rate, efficient in its degree, and appears to have been imperfectly replaced by the methods which prevail, now, over a wide radius around Peking. Continued military occupation of certain strategic points pending a definite solution would not necessarily be incompatible with the restoration of civil authority to native officials.

Nor does there appear to be inherent in the personality of those engaged in the

negociations any such expert knowledge of the conditions of the problem as might constitute a counter-balancing advantage.

It was with a conviction that questions of grave moment calling for the exercise of high capacity and expert knowledge would arise, that the Association ventured to suggest, in August last,[1] that "a special mission with a diplomatist of the highest rank and reputation as its chief—supported, as Lord Elgin was supported 40 years ago, by one or more of the ablest and strongest members of the Consular Service as advisers—should be appointed to represent the important interests of the British Empire," at this crisis. Confidence might have been felt, under those conditions, in leaving negociations to be conducted on the spot; but it is difficult, in their absence, to perceive any disadvantage in transfer to Europe that would outweigh the advantage of speed.

The Association would view, indeed, with relief the extrication of questions gravely affecting the future welfare of the Chinese Empire from influences and surroundings which it is led to regard rather with apprehension. It has noted with satisfaction the moderation of the British claim. It has noted with alarm, on the other hand, the intentions that have been ascribed to certain other Powers and certain projects of taxation that have been named. Tolerant of burdens to which they are accustomed, the Chinese are not easily amenable to new methods, and the Association would dread the imposition, for instance, of a House-tax—which is said to have been suggested—as likely to excite violent opposition.

The character of the Chinese Government must be taken into account in assessing the amount of the Indemnity it can bear. The natural resources of the Empire may be great, but they are undeveloped; and the scale of living and the standard of expenditure are low. The questions of amount and of the resources upon which the Indemnity shall be guaranteed need to be approached, therefore, with a sense of responsibility for the future and a perception of the conditions of Chinese life which have not always been evident, lately, in the conduct of affairs at Peking.

Already, in 1898, the Viceroy of Nanking—alluding to the allocation of certain lekin revenues to the service of the debt—told Lord Charles Beresford "that the people were annoyed at their taxes being paid to the foreigner"; and it is apprehended that that feeling would be stimulated if the inhabitants of provinces which have remained tranquil felt themselves punished for misdeeds in which they took no part.

Stress has been laid in former communications on the fact that the Provincial

---

[1] *V.* Annual Report for 1900—01, Appendix C, p. 16.

Governments are really administrative units, collecting their own revenues and administering their own resources subject to requisitions for Imperial needs; and on the error of assuming that China has, like Western States, a highly centralised organisation with a system of taxation and accountability that concentrates all resources, authority, and responsibility in Imperial hands.

It is apprehended, for these and other reasons, that the exaction of an Indemnity so large as to necessitate the imposition of fresh taxes throughout the Empire, would be fraught with danger not only to the tranquility but to the future prosperity and development of the country; and that increased resources should be sought in improved methods of collection and account rather than in aggravation of imposts. Mr. George Jamieson has shown, in his admirable Report on Chinese Revenue and Expenditure, that vast sums are squandered in the interval between the tax-payer and the Exchequer; and the Association ventures to renew the suggestion, made in July,[2] 1899, that an attempt should be made to provide a remedy for these conditions by helping the enlightened Viceroys of the Yangtze Region to introduce gradual Reforms.

Telegrams[3] from the Eastern Branches of the Association express alarm lest an attempt should be made to provide for the service of a new loan by a drastic increase of the Customs tariff. That revision of the Tariff might be acquiesced in under certain conditions was admitted in a letter addressed by the Association to Lord Salisbury on the 2nd November, 1896. But it is strongly held that those conditions should be adhered to; and confidence is felt that H.M. Government will not readily surrender the most powerful lever available for securing their concession. Those are questions, moreover, which require time for their elaboration; and their solution would be facilitated by the extrication of the Emperor from the Reactionary influences which surround him at Si-ngan. It is believed that these objects might be promoted by the restoration of normal conditions in Chihli, and especially in Peking.

I have the honour to be, &c., &c.,

Your Lordship's obedient servant,

(Signed) R. S. GUNDRY,

Hon. Sec. China Association.

The Right Hon.

The Marquis of Lansdowne, K.G.,

H.M. Secretary of State for Foreign Affairs.

---

[2] Letter to Lord Salisbury dated 13th July, 1899.

[3]TELEGRAMS.

(Enclosure).

Shanghai Committee to General Committee.

Shanghai, 4th April, 1901.

Re Indemnity, there is every reason to believe certain Powers propose international guaranteed Loan secured (by) simple process drastic tariff increase. Strongest possible protest should be made, as although increased tariff admissible such hasty action (in) treatment tariff destroys only available lever redress present grievances, besides menacing trade expansion. Should bring pressure to bear China (to) provide service indemnity from existing sources native revenue which (if) honestly collected known capable adequate expansion. Present conference eleven Ministers, several (of whom represent) no commercial interests, eminently unsuited settle complex commercial questions which should be reserved for future settlement, later, by leading commercial Powers.

Hongkong Committee to General Committee.

Hongkong, 20th April, 1901.

Hongkong Branch fully concur in Shanghai telegram of 4th April (and) urge strongest possible protest against increase tariff except on condition total abolition abuses internal revenue likin etc.

Foreign Office to China Association.

Foreign Office, May 18th, 1901.

SIR,

I am directed by the Marquess of Lansdowne to acknowledge the receipt of your letter of the 25th ultimo, suggesting that the further negotiation of the China Indemnity question should be transferred to Europe, and submitting observations as to its amount and the method of payment.

I am to say that the considerations raised in your letter have received, and are receiving, the careful attention of His Majesty's Government.

Lord Lansdowne is conscious that there are some questions with which the Conference of Ministers at Peking may not be able to deal, and which will require careful consideration at a later stage; but he is convinced that it would be unwise to withdraw from it those questions of which it is already seized, and in the settlement of which it is, His Majesty's Government have reason to believe, making some progress.

His Lordship concurs with the China Association as to the desirability of avoiding an excessive increase of internal taxation in China or any large addition to the Customs Tariff merely for the purpose of providing for the indemnities claimed by the Powers.

His Majesty's Government are sparing no pains to render possible an early withdrawal of the foreign troops from Pechihli, and the restoration of civil authority to the Native Officials.

I am, &c.,
(Signed) FRANCIS BERTIE.

R. S. Gundry, Esq.,
Hon. Secretary China Association,
159, Cannon Street, E.C.

Shanghai Committee to General Committee.

Shanghai Branch, 14th March, 1901.

DEAR SIR.

I beg to confirm the following telegram sent you on the 11th instant:—

> "Russo-Manchurian Agreement received here much alarm as presaging eventual extinction commercial freedom Manchuria, urge strongest possible protest."

In sending this telegram the Committee was chiefly influenced by a wish to support similar action which was being taken by the American Asiatic Association and, as was understood at the time, by the German Association as well. The action of Russia in Manchuria, and her declarations of interest in that country—declarations which, as was stated in your letter to Lord Salisbury of 8th July, 1898, "thinly veiled practical annexation", have so long been the subject of representation and remonstrance by the Association both in London and here, that it was hardly thought that any good could now be accomplished by our again raising our voice of protest. The question seems, moreover, to have reached a point far beyond the reach of our influence; and, again, we felt sure that if any good could be hoped for from further remonstrance, your Committee might safely be left to take such action as seemed desirable. As, however, it would have appeared invidious to refuse to co-operate with the other Associations, the telegram in question was sent.

* * * * *

The Chinese, here, are evincing the greatest alarm and excitement at the situation: business is practically at a stand-still, the native opinion being that if Russia gains her point it will mean the most serious trouble throughout the Empire. Progressive Chinese have called a meeting, to be held to-morrow, at which it will be proposed to wire to all Viceroys and Governors urging the dangers which

acquiescence in the Russian demands will entail, and further begging that the most urgent representations be made to the Emperor on the subject. This attempt at expression of public opinion in China is a new departure, and is not without its own significance.

* * * * *

I am, etc.,

(Signed) C. J. DUDGEON, Chairman.

The Hon. Secretary, China Association,
London.

Resolution passed at a meeting of the General Committee of the China Association held on the 14th May, 1901.

RESOLVED,

That this Association, having regard to the special expression of interest by H.M. Government,

would view with regret the cession of the Imperial Chinese Northern Railway to Russia, as injurious to British interests and prestige,

as tending to confirm and extend over North China the influence of a Power which is certain to discriminate against British shipping and commerce in territories under its control,

and trusts that the endeavour of the Russian Authorities to thwart its development by occupying land alleged to have been acquired by it on the North Bank of the Peiho will be firmly resisted.

TEXT OF THE FINAL PROTOCOL

Reciting the Terms of Peace.

The Plenipotentiaries of Germany, M. A. Mumm von Schwartzenstein; Austria-Hungary, M. M. Czikann; Belgium, M. A. Joostens; Spain, M. B. J. de Cologan; United States, M. W. W. Rockhill; France, M. Beau; Great Britain, Sir Ernest Satow; Italy, Marquis Salvago Raggi; Japan, M. Jutaro Komura; Netherlands, M. F. M. Knobel; Russia, M. Michael de Giers; and the Plenipotentiaries of China, Ch'ing, by Imperial command Minister Plenipotentiary, President of the Board of Foreign Affairs, and Prince of the first rank; Li Hung Chang, by Imperial appointment Minister Plenipotentiary, Grand Tutor of the Heir-Apparent, Grand Secretary of the Wen-Hua Throne Hall, Minister of Commerce, Superintendent of Trade for the North, Viceroy of Chih-li, and Earl of Su-I of the first rank, have met for the purpose of declaring that China has complied to the satisfaction of the Powers with the conditions laid down in the Note of December 22, 1900, and which were accepted in their entirety by his Majesty the Emperor of China in a decree dated December 27, 1900 (Annexe 1).

Article 1.—(*a*) By an Imperial edict of June 9 last (Annexe 2) Tsai-Feng Prince Chun was appointed Ambassador of his Majesty the Emperor of China, and directed in that capacity to convey to his Majesty the German Emperor the expression of the regrets of his Majesty the Emperor of China and of the Chinese Government at the assassination of His Excellency the late Baron von Ketteler, German Minister. Prince Chun left Peking on July 12 last to carry out the orders which had been given him.

(*b*) The Chinese Government has stated that it will erect on the spot of the assassination of his Excellency the late Baron von Ketteler a commemorative monument worthy of the rank of the deceased, and bearing an inscription in the Latin, German, and Chinese languages which shall express the regrets of his Majesty the Emperor of China for the murder committed. The Chinese Plenipotentiaries have informed his Excellency the German Plenipotentiary, in a letter dated July 22, 1901 (Annexe 3), that an arch of the whole width of the street would be erected on the said spot, and that work on it was begun on June 25.

Article 2.—(*a*) Imperial edicts of February 13 and 21, 1901 (Annexes 4, 5, 6), inflicted the following punishments on the principal authors of the attempts and of the crimes committed against the foreign Governments and their nationals:—

Tsai-I Prince Tuan and Tsai-Lan Duke Fu-kuo were sentenced to be brought before the Autumnal Court of Assize for execution, and it was agreed that, if the Emperor saw fit to grant them their lives they should be exiled to Turkestan and there imprisoned for life without the possibility of commutation of these punishments.

Tsai-Hsun Prince Chuang, Ying Nien, President of the Court of Censors, and Chao Shu-chiao, President of the Board of Punishments, were condemned to commit suicide.

Yu Hsien, Governor of Shan-si, Chi Hsiu, President of the Board of Rites, and Hsü Chêng-yü, formerly Senior Vice-President of the Board of Punishments, were condemned to death.

Posthumous degradation was inflicted on Kang-Yi, Assistant Grand Secretary, President of the Board of Works; Hsu Tung, Grand Secretary; and Li Ping-hêng, former Viceroy of Sze-chuan.

An Imperial edict of February 13, 1901 (Annexe 7), rehabilitated the memories of Hsu Yung-yi, President of the Board of War; Li Shan, President of the Board of Works; Hsu Ching-chêng, Vice-President of the Board of Works; Lien Yuan, Vice-Chancellor of the Grand Council; and Yuan Chang, Vice-President of the Court of Sacrifices, who had been put to death for having protested against the outrageous violation of international law committed last year.

Prince Chuang committed suicide on February 21, 1901; Ying Nien and Chao Shu-chiao committed suicide the 24th; Yu Hsien was executed February 22; Chi Hsiu and Hsu Chêng-yu were executed on February 26.

Tung Fu-hsiang, General in Kansu, has been deprived of his office by Imperial edict of February 15, 1901, pending the determination of the final punishment to be inflicted on him. Two Imperial edicts of April 29 and August 19, 1901, have inflicted various punishments on the provincial officials convicted of the crimes and attempted crimes of last summer.

(*b*) An Imperial edict promulgated August 19, 1901 (Annexe 8), ordered the suspension of official examinations for five years in all cities where foreigners were massacred or subjected to cruel treatment.

Article 3.—So as to make honourable reparation for the assassination of Mr. Sugiyama, Chancellor of the Legation of Japan, his Majesty the Emperor of China, by an Imperial edict of June 18, 1901 (Annexe 9), appointed Na Tung, Vice-President of the Board of Revenue, his Envoy Extraordinary, and specially directed him to convey to his Majesty the Emperor of Japan the expression of the regrets of his Majesty the Emperor of China and of his Government at the assassination of Mr. Sugiyama.

Article 4.—The Chinese Government has agreed to erect an expiatory monument in each of the foreign or international cemeteries which were desecrated, and in which the tombs were destroyed.

It has been agreed with the representatives of the Powers that the Legations interested shall settle the details for the erection of these monuments, China bearing all the expenses thereof, estimated at 10,000 taels for the cemeteries at Peking and in its neighbourhood, and at 5,000 taels for the cemeteries in the provinces. The amounts have been paid and the list of these cemeteries is enclosed herewith (Annexe 10).

Article 5.—China has agreed to prohibit the importation into its territory of arms and ammunition as well as of materials exclusively used for the manufacture of arms and ammunition.

An Imperial edict has been issued on August 25, 1901 (Annexe 11) forbidding said importation for a term of two years. New edicts may be issued subsequently extending this by other successive terms of two years in case of necessity recognized by the Powers.

Article 6.—By an edict dated May 29, 1901 (Annexe 12), his Majesty the Emperor of China agreed to pay the Powers an indemnity of 450 millions of Hai-kuan taels.

This sum represents the total amount of the indemnities for States, companies, or

societies, private individuals and Chinese referred to in Article 6 of the Note of December 22, 1900.

(a) These 450 millions constitute a gold debt calculated at the rate of the Hai-kuan tael to the gold currency of each country as indicated below:—

Hai-kuan tael equals marks 3·055, Austro-Hungarian crown 3·595, gold dollar 0·742, francs 3·750, pound sterling 3s., gold yen 1·407, Netherlands florin 1·796, gold rouble 1·412 (17·424 dolias fine).

This sum in gold shall bear interest at the rate of 4 per cent. a year, and the capital shall be reimbursed in 39 years in the manner indicated in the annexed plan of amortization (Annexe 13). Capital and interest shall be payable in gold or at the rates of exchange corresponding to the dates at which the different payments fall due.

The amortization shall commence on January 1, 1902, and shall finish at the end of the year 1940. The amortizations are payable annually, the first payment being fixed on January 1, 1903.

Interest shall run from July 1, 1901, but the Chinese Government shall have the right to pay off within a term of three years, beginning January, 1902, the arrears of the first six months ending December 31, 1901, on condition, however, that it pays compound interest at the rate of 4 per cent. a year on the sums, the payments of which shall have thus been deferred.

Interest shall be payable semi-annually, the first payment being fixed on July 1, 1902.

(*b*) The service of the debt shall take place in Shanghai in the following manner:—

Each Power shall be represented by a delegate on a commission of bankers authorized to receive the amount of interest and amortization which shall be paid to it by the Chinese authorities designated for that purpose to divide it among the interested parties and to give a receipt for the same.

(*c*) The Chinese Government shall deliver to the Doyen of the Diplomatic Corps at Peking a bond for the lump sum which shall subsequently be converted into fractional bonds bearing the signature of the delegates of the Chinese Goverment designated for that purpose. This operation and all those relating to the issue of the bonds shall be performed by the above-mentioned Commission in accordance with the instructions which the Powers shall send their delegates.

(*d*) The proceeds of the revenues assigned to the payment of the bonds shall be paid monthly to the Commission.

(*e*) The revenues assigned as security for the bonds are the following:—

(1) The balance of the revenues of the Imperial Maritime Customs, after payment of the interest and amortization of preceding loans secured on these revenues, *plus* the proceeds of the raising to 5 per cent. effective ot the present tariff on maritime imports, including articles until now on the free list, but exempting rice, foreign cereals and flour, gold and silver bullion and coin.

(2) The revenues of the native customs, administered in the open ports by the Imperial Maritime Customs.

(3) The total revenues of the salt gabelle, exclusive of the fraction previously set aside for other foreign loans.

The raising of the present tariff on imports to 5 per cent. effective is agreed to on the conditions mentioned below. It shall be put in force two months after the signing of the present protocol, and no exceptions shall be made except for merchandise in transit not more than ten days after the said signing.

(I.) All duties levied on imports *ad valorem* shall be converted as far as possible and as soon as may be into specific duties. This conversion shall be made in the following manner :—The average value of merchandise at the time of their landing during the three years 1897, 1898, 1899, that is to say, the market price less the amount of import duty and incidental expenses, shall be taken as the basis for the valuation of merchandise. Pending the result of the work of conversion, duties shall be levied *ad valorem*.

(II.) The beds of the rivers Whang-poo and Pei-ho shall be improved with the financial participation of China.

Article 7.—The Chinese Government has agreed that the quarter occupied by the Legations shall be considered as one specially reserved for their use and placed under their exclusive control, in which Chinese shall not have the right to reside, and which may be made defensible.

The limits of this quarter have been fixed as follows on the annexed plan (Annexe 14) :—

On the east, Ketteler-street (10, 11, 12).

On the north, the line 5, 6, 7, 8, 9, 10.

On the west, the line 1, 2, 3, 4, 5.

On the south, the line 12, 1, drawn along the exterior base of the Tartar wall and following the line of the bastions.

In the Protocol annexed to the letter of January 16, 1901, China recognised the right of each Power to maintain a permanent guard in the said quarter for the defence of its Legation.

Article 8.—The Chinese Government has consented to raze the forts of Taku and those which might impede the free communication between Peking and the sea ; steps nave been taken for carrying this out.

Article 9.—The Chinese Government, in the Protocol annexed to the letter of January 16, 1901, conceded the right to the Powers to occupy certain points, to be determined by an agreement between them, for the maintenance of open communication between the capital and the sea. The points occupied by the Powers are:—Huang-tsun, Lan-fang, Yang-tsun, Tien-tsin, Chun-liang-cheng, Tang-ku, Lu-tai, Tang-shan, Lan-chou, Chang-li, Ching-wang-tao, Shan-hai-kuan.

Article 10.—The Chinese Government has agreed to post and to have published during two years in all district cities the following Imperial edicts :—

(*a*) Edict of February 1, 1901 (Annexe 15) prohibiting for ever, under pain of death, membership in any anti-foreign society.

(*b*) Edicts of February 13, 21, April 29, and August 19, 1901, enumerating the punishments inflicted on the guilty.

(*c*) Edict of August 19, 1901, prohibiting examinations in all cities where foreigners were massacred or subjected to cruel treatment.

(*d*) Edict of February 1, 1901 (Annexe 16) declaring all Governors-General, Governors and provincial or local officials responsible for order in their respective districts, and that in case of new anti-foreign troubles, or other infractions of the treaties, which shall not be immediately repressed, and the authors of which shall not have been punished, these officials shall be immediately dismissed without possibility of being given new functions or new honours.

The posting of these edicts is being carried on throughout the Empire.

Article 11.—The Chinese Government has agreed to negotiate the amendments deemed necessary by the foreign Governments to the treaties of commerce and navigation, and the other subjects concerning commercial relations, with the object of facilitating them.

At present, and as a result of the stipulation contained in Article 6 concerning the indemnity, the Chinese Government agrees to assist in the improvement of the courses in the rivers Pei-ho and Whang-poo, as stated below :—

(*a*) The works for the improvement of the navigability of the Pei-ho, begun in 1898 with the co-operation of the Chinese Government, have been resumed under the direction of an International Commission. As soon as the administration of Tien-tsin shall have been handed back to the Chinese Government it will be in a position to be represented on this Commission, and will pay each year a sum of Hai-kuan Tls. 60,000 for maintaining the works.

(*b*) A Conservancy Board charged with the management and control of the works for straightening the Whang-poo and the improvement of the course of that river is hereby created.

This board shall consist of members representing the interests of the Chinese Government and those of foreigners in the shipping trade of Shanghai.

The expense incurred for the works and the general management of the undertaking are estimated at the annual sum of Haikuan Tls. 460,000 for the first 20 years. This sum shall be supplied in equal portions by the Chinese Government and the Foreign interests concerned. Detailed stipulations concerning the composition, duties, and revenues of the Conservancy Board are embodied in Annexe 17.

Article 12.—An Imperial Edict of July 24, 1901 (Annexe 18), reformed the Office of Foreign Affairs (Tsung-li-Yamên) on the lines indicated by the Powers, that is to say, transformed it into a Ministry of Foreign Affairs (Wai-wu-pu), which takes precedence over the six other Ministries of State; the same edict appoints the principal members of this Ministry.

An agreement has also been reached concerning the modification of Court ceremonial as regards the reception of foreign representatives, and has been the subject of several notes from the Chinese plenipotentiaries, the substance of which is embodied in a memorandum herewith annexed (Annexe 19).

Finally, it is expressly understood that, as regards the declarations specified above and the annexed documents originating with the foreign plenipotentiaries, the French text only is authoritative.

The Chinese Government having thus complied to the satisfaction of the Powers with the conditions laid down in the above-mentioned Note of December 22, 1900, the

Powers have agreed to accede to the wish of China to terminate the situation created by the disorders of the summer of 1900. In consequence thereof the foreign plenipotentiaries are authorized to declare in the names of their Governments that, with the exception of the Legation Guards mentioned in Article 7, the international troops will completely evacuate the city of Peking on September 17, 1901, and with the exception of the localities mentioned in Article 9, will withdraw from the province of Chih-li on September 22, 1901.

The present final protocol has been drawn up in 12 identic copies and signed by all the plenipotentiaries of the contracting countries. One copy shall be given to each of the foreign plenipotentiaries and one copy shall be given to the Chinese plenipotentiaries.

Peking, September 7, 1901.

PROCLAMATION ISSUED (TO THE CHINESE) BY THE FOREIGN MINISTERS.

In the spring and summer of last year North China was the scene of grave disorders, and crimes without precedent against the laws of humanity were committed by the Boxers and Imperial troops.

On June the 11th the Chancellor of the Japanese Legation was barbarously murdered at the Yung-ting Gate; on June the 20th the Envoy Plenipotentiary of Germany was assassinated while going to the Tsungli Yamên to transact public business; and from that day to August 14th the Legations of all the Foreign Powers at Peking were besieged and constantly attacked. At Tientsin the Foreign Concessions were bombarded for three weeks with heavy cannon, and repeatedly attacked by Imperial troops and hordes of Boxers. Both at Peking and Tientsin many were killed and wounded, and a great quantity of property owned by foreigners was wantonly destroyed. Elsewhere, and particularly in the Province of Shansi, numbers of foreigners of different nations, chiefly missionaries, were atrociously murdered, and in several places foreign cemeteries were profaned and the tombs destroyed.

The Foreign Governments concerned, as soon as they received intelligence of these doings, sent Armies over sea to quell the disorders, protect their nationals and chastise the persons who were responsible. The Taku Forts, Tientsin and Paotingfu, and many other places were taken by assault, and the Imperial troops and Boxers were everywhere overthrown in numerous battles and encounters, thousands of them being slain and the rest driven afar off beyond the confines of Chihli. The Princes and high officers of State guilty of participation in the crimes against foreigners have all been most severely punished, several having suffered the death penalty in accordance with the commands of His Imperial Majesty the Emperor of China. Provincial officials of all ranks have also been punished according to their offences.

Heavy indemnities have been rightfully imposed by all the foreign States, and all civil and military examinations have been suspended for a period of five years in the localities where foreigners were murdered or cruelly treated.

Condign punishment having thus been administered, and China moreover having expressed regrets, and having promised the other reparations demanded by the Foreign Powers, friendly relations are now definitely restored, and the Foreign troops of all nationalities will gradually return to their homes. Each Power will retain a permanent guard to protect its Legation; certain places between Peking and the sea will be occupied by foreign troops to preserve freedom of communication, and the Taku Forts and all others which might impede this freedom of communication will be razed.

This Proclamation is issued by the Representatives of the Foreign Powers so that all may know the true facts connected with the coming and going of the Allied Forces. It is also especially necessary that Chinese officials and people should take warning from the events stated and exercise extreme care to prevent any recurrence of disturbance or disorder.

APPENDIX B.

TARIFF REVISION.

China Association to Foreign Office.

159, Cannon Street, June 12th, 1901.

My Lord,

The General Committee desire to submit for your Lordship's perusal [1]telegrams which have been received from the Eastern Branches of this Association regarding the project of restoring the Chinese Customs tariff to an effective 5 per cent., together with [2]a Memorandum examining the circumstances of the case.

The expression, in Mr. Bertie's letter of the 18th May, of your Lordship's concurrence in the views of the Association as to the desirability of avoiding a large addition to the tariff under existing circumstances has been received with much satisfaction.

The proposed restoration of an effective 5 per cent. tariff stands admittedly on a different basis. The schedule of values attached to the Treaty of Tientsin was not a fixed or integral portion of it. It has become obsolete in many respects, and the Chinese are entitled to claim readjustment as a Treaty right.

But so is the right "to convey imports from a port to an inland market" under Transit Pass (interpreted under the Agreement attached to the Treaty, to mean that "no further duty beyond the Treaty 2½ per cent. will be leviable upon imports so certificated, no matter how distant the place of their destination") a treaty right. Yet it has been a constant subject of complaint that the obligation is evaded and thwarted by the Chinese authorities in many ways.

Other instances in which the Chinese have failed to carry out their obligations—notably the conservancy of rivers—might be cited. The suggestion in the Eastern

telegrams is that rectification of the tariff in the interests of the Chinese should be accompanied by redress of these grievances, and that so effective a lever for exacting that redress should not be let go till redress is made.

I have the honour to be, &c.,

(Signed) R. S. GUNDRY.

Hon. Sec. China Association.

The Right Hon. the Marquis of Lansdowne, K.G.,

H. M. Secretary of State for Foreign Affairs,

P.S.—I have the honour to enclose, also, copy of a [3]letter from the Shanghai Committee, regarding the rumoured project of an increase to 10 per cent., which contains certain observations regarding inland charges and provincial revenues that deserve note, although the danger immediately apprehended may have passed away.

---

[1]TELEGRAMS.

(Enclosure.)

Shanghai Committee to General Committee.

Shanghai, 22nd May, 1901.

Understood British Minister proposes immediate restoration effective 5 per cent. import tariff, reserving question further increase until Clause 11. protocol considered. Maintain protest (against) any meddling tariff (for) reasons contained (in) recent telegrams.*

Hongkong Committee to General Committee.

Hongkong, 1st June, 1901.

Hongkong deprecates proposed effective 5 per cent. tariff without compensating advantages. Strongly supports Shanghai telegram.

---

* The following are the telegrams referred to:—

Shanghai, 4th April, 1901.

Re indemnity, there is every reason to believe certain Powers propose international guaranteed Loan secured (by) simple process drastic tariff increase. Strongest possible protest should be made, as, although increased tariff admissible, such hasty action (in) treatment tariff destroys only available lever redress present grievances, besides menacing trade expansion. Should bring pressure to bear China (to) provide service indemnity from existing sources native revenue which (if) honestly collected, known capable adequate expansion. Present conference eleven Ministers, several (of whom represent) no commercial interests, eminently unsuited settle complex commercial questions which should be reserved for future settlement, later, by leading commercial Powers.

Shanghai, 3rd May, 1901.

Re our wire of 4th April, we understand that—England, America, Japan excepted—the Powers (are still) urging the immediate increase import tariff basis 10 per cent. Question referred Home Governments. We request you urgently repeat protest.

(Enclosure.)

MEMORANDUM.

It is easy to comprehend the feeling which inspires these telegrams. One naturally objects to be made to help pay other peoples' excessive indemnities which one disapproves; and there is logic in the objection to letting go any leverage—even the modicum involved in restoration of an effective 5 per cent.—without exacting an equivalent modicum of reform.

If one were dealing with an ordinary State China would, it seems to me, have an incontestible right to the increase. The schedule of values attached to the Treaty is not a fixed and integral portion of it: it simply expressed a temporary fact, and has been liable to revision at each recurring decade, if the Chinese Government had been less slovenly and negligent.

As it differs widely from existing facts the Chinese are clearly entitled to re-adjustment.

H. M. Government seem, moreover, to have admitted the principle.

But if we conscientiously agree to fulfil the Treaty, on our side, we are entitled to require that the Chinese shall fulfil it on theirs. Might not the opportunity be taken to insist once more that they shall effectively observe, *inter alia*, Art. 28 of the Treaty of Tientsin?

It may be objected, of course, that this would be to attack sources of revenue of which the Authorities stand more than ever in need.

The objection might be met, in so far as the Provincial Governments are concerned, by recognising the fact that Inland dues are a provincial perquisite, and that the stipulated 2½ per cent. shall be paid into the Provincial Exchequers. The Association has long maintained that the absorption of the revenue derived from Transit Passes into the Imperial Customs Revenue is largely responsible for the hostility which has been shown to them by the local officials.

It may be rejoined, of course, that this would still be a financial juggle; and that the Imperial resources would be diminished, *pro tanto*, if this principle were effectively recognised by providing that the Transit Dues shall in future be paid to the Provincial Governments to whom they belong.

Two reflections, however, suggest themselves :—

1. That the Imperial Revenue would be measurably recouped by the expansion that might be anticipated if trade were relieved from embarassing imposts.

2. That an aggravation of Inland taxation—as one method of meeting foreign exactions—may be anticipated unless countervailing precautions be taken.

A parallel line of thought suggests the question why the import tariff only should be restored to an effective 5 per cent. The export duty on silk is as much below parity as the import duty on shirtings. That on tea is extravagantly in excess, having been purposely left untouched at a time (before the genesis of the trade in India and Ceylon) when China had a monopoly, and it was thought no harm could ensue from high taxation. Both are subjected, moreover, to heavy inland taxation; and on the recognised principle that a country pays for its imports with its exports, a rectification of the burdens on produce with a view to promoting export trade would seem as desirable as a re-adjustment of the import dues.

The questions indicated may be far-reaching, but they come within the four corners of the present Treaty: nor is the list exhaustive.

The contention clearly is that all the rectification should not be on one side; but that the opportunity should be taken to insist on reciprocal corrections.

(Signed) R. S. GUNDRY.

159, Cannon Street,
2nd June, 1901.

(*Enclosure.*)

[3]*Shanghai Committee to General Committee.*

Shanghai, 6th May, 1901.

DEAR SIR,

With special reference to this Committee's telegram to you of 4th ultimo, we have received information from Peking that the majority of the Ministers have recommended that, as part security for the service of the indemnity loan, the Customs Tariff on Imports be immediately raised to a 10 per cent. *ad valorem* basis—the Ministers for Great Britain, the United States, and Japan dissenting.

The Committee have in consequence deemed it desirable to again telegraph, urging repeated protest against this ill-considered scheme; and on 3rd inst. the following message was despatched to you:—

"Referring to our telegram, 4th April, we understand that (England,

"America, Japan excepted) Powers urging immediate increase import tariff "basis 10 per cent. question referred home Government: we request you to "urgently repeat protest."

Representations have also been made to the American Asiatic Association and to the Chamber of Commerce, asking for their co-operation; and, as a result, telegrams of protest have been despatched to the American Association in New York, and to the Chambers of Commerce in London, New York, Berlin, and Paris. It is earnestly to be hoped that these protests will have effect.

It would be interesting to know what the Ministers have in mind when, in this off-hand way, they propose a 10 per cent. tariff. Is it intended that in such tariff shall be included the commutation of all further inland charges, or is such commutation to be a matter of further charge on the system of Transit Passes, which has proved such an utter failure? If the former is intended, then there is evidently no idea of devoting any part of the collection to provincial purposes; for the whole of the increase, loosely estimated at "from 10½ to 18 million taels," is included in the estimates of revenue to be used for the service of the Indemnity Loan. If, on the other hand, the intention is a 10 per cent. tariff plus another half tariff for Transit Pass privileges (and this we happen to know is the suggestion fathered by the Customs' Authorities), then indeed there is vehement call for protest. Ill-considered is a mild term to apply to a scheme which plainly has its origin in the desire of some of the Powers to get their money as speedily as possible, at the expense of a trade in which they have little interest.

* * * * *

I am, &c.,

(Signed) C. J. DUDGEON,
Chairman.

To the Hon. Secretary China Association, London.

Foreign Office to China Association.

Foreign Office, June 15th, 1901.

SIR,

I am directed by the Marquess of Lansdowne to acknowledge with thanks the receipt of your letter of the 12th instant and accompanying Memorandum, respecting the proposal to raise the Chinese Import Tariff to an effective five per cent.

I am, &c.,

(Signed) F. H. VILLIERS.

R. S. Gundry, Esq.,
The Hon. Secretary to the China Association,
159, Cannon Street, E.C.

The Bristol Chamber of Commerce to China Association.

Bristol, June 28th, 1901.

DEAR SIR,

Communications from your Association were duly laid before the Council of this Chamber at its meeting on Wednesday last, when proposal respecting the increase of Chinese Customs Tariff to an effective 5 per cent. was fully considered, and the following resolution was carried unanimously:—

> "The Council of this Chamber expresses its entire agreement with the Hong-Kong & Shanghai Committees of the China Association in their protest against the increase of the Chinese Import Tariff, which means increased taxation of imports—mainly British—unless some compensating advantages are given to British traders; the Council further resolves that a copy of this resolution be sent to the Foreign Office and the four members in Parliament for Bristol."

Faithfully yours,
HENRY J. SPEAR,
Secretary.

The Secretary, China Association,
London.

Leeds Chamber of Commerce to China Association.

Leeds, 3rd July, 1901.

DEAR SIR,

Referring to your letter of 12th ultimo, I am instructed to inform you that the Council of this Chamber approve of your communications with the Government, and consider that if the Chinese Tariff were increased 5 per cent., such increase should be accompanied by redress of the grievances complained of in connection with the transit of the goods to the interior; they also note with satisfaction that the Government repudiate the assumption that it was proposed to agree to the increase of the tariff to an effective 5 per cent. without obtaining any concessions in return, and also note that before any additions beyond the Treaty rate of 5 per cent. were agreed to, care would be taken to ascertain the views of those interested in the China trade.

Yours faithfully,
RHODES K. CALVERT,
Secretary.

R. S. Gundry, Esq.,
Hon. Secretary, China Association.

Liverpool Chamber of Commerce to China Association.

Liverpool, July 6th, 1901.

DEAR SIR,

I have to acknowledge receipt of your circular letter with enclosures dated 12th June, and to inform you that the same were considered at a recent meeting of the Council of this Chamber.

I have pleasure in handing you a copy of Resolution passed at the Meeting, in support of the views of your Association on the subject of the China Tariff, and forwarded to H.M. Secretary of State for Foreign Affairs.

I am, yours faithfully,

THOMAS H. BARKER,

Secretary.

R. S. Gundry, Esq.,
Hon. Secretary China Association.

RESOLVED,

"That referring to the proposed advance to an effective 5 per cent. in the Chinese Customs Tariff, this Council is of opinion that, as any increase of the Import Duties would tend to restrict the trade of this country with China, and be an additional burden on that trade, His Majesty's Government should not consent thereto, unless the Chinese Government should strictly bind itself to enforce the observance of Article XXVIII. of the Treaty of Tientsin (1858), which provides for the payment of a single commuted Transit Duty charge of 2½ per cent. *ad valorem*, on all imported merchandise going to any market of the interior, however distant, which is to cover all claims of the Chinese Authorities for 'likin'."

TELEGRAMS.

General Committee to Shanghai Committee.

London, 9th August, 1901.

Intend urging Foreign Office delay introduction tariff revision as long as possible. We suggest basing rectification last five years average.

REPLY.

Shanghai, 14th August, 1901.

* * * We consider it is most important that new tariff specific duties should be fully considered here and England before comes into force. We agree to rectify on proposed basis.

China Association to Foreign Office.

159, Cannon Street, 22nd August, 1901.

MY LORD,

The statement that the projected increase in the Customs Tariff will be put in force two months after the signature of the final protocol has been noted with some apprehension by the mercantile community in China, because it seems scarcely possible that calculations requiring much care and research, and involving changes of which ample notice must be given, can be made in so short a time.

A satisfactory schedule of specific values can, obviously, be based only on a sufficient average of years. It is considered that the five years 1894-9 inclusive should be taken—setting aside 1900 as abnormal.

When it is remembered that an average value for each single year must first be settled, and that the published quotations on which the calculation must be based include various charges that have to be eliminated as constituting an addition to the (dutiable) value at the time of landing—it will be evident that ample time is required.

When it is remembered also that much business is done in China by forward contract: that is to say that the Foreign merchant contracts to deliver to a Chinese dealer, at a given price, on a given date, certain goods which he has still to order from Europe—it will be evident that full notice of the precise figures of a new tariff that will materially affect his calculations is essential.

Feeling assured that the force of these considerations will be appreciated, the Association relies that overhaste which would most probably entail much confusion, inconvenience and loss will be avoided.

I have the honour to be, &c., &c.,

(Signed) R. S. GUNDRY,

Hon. Secretary China Association.

The Right Hon.

The Marquis of Lansdowne, K.G.,

H.M. Secretary of State for Foreign Affairs.

Foreign Office to China Association.

Foreign Office, September 5th, 1901.

SIR,

I am directed by the Marquess of Lansdowne to acknowledge the receipt of your letter of the 22nd ultimo, respecting the provision that the increase of the duty on goods imported into China shall take effect two months after the signature of the Protocol.

His Majesty's Minister at Peking was instructed on the 8th ultimo to use his endeavours to obtain the postponement until January next of the date on which the new duties should come into force.

Sir E. Satow was, however, unable to induce his colleagues to assent to this course. As at present arranged five per cent. *ad valorem* duties will be enforced two months

after the signature of the Protocol, excepting in the case of goods *en route* ten days after signature.

The *ad valorem* duties will be converted into specific duties as soon as possible, taking as the basis of calculation the average values of the years 1897-99. This period was selected in consultation with the Board of Trade, and was successfully pressed for by His Majesty's Minister as preferable in the interests of trade to the proposal of the Foreign Representatives to take the first three months of the year 1901 as the basis for calculation.

I am, &c.,

(Signed) FRANCIS BERTIE.

R. S. Gundry, Esq.,
China Association, 159, Cannon Street.

China Association to Foreign Office.

159, Cannon Street,
October 3rd, 1901.

My Lord,

While accepting as definite the lucid explanation regarding tariff re-arrangement contained in Mr. Bertie's letter of the 5th September, the Committee regret to be obliged to reiterate the anxiety felt in commercial circles as to the effect of *ad valorem* duties pending the calculation of specific rates.

H.M. Minister is to be congratulated, certainly, on having overridden the remarkable proposal to take the first three months of the year 1901 as the basis for calculating the new duties; and, although adhering to their view that a broader basis would have been preferable, the Committee find no difficulty in accepting the period (1897-9) which has been adopted, as likely to give fairly reasonable results.

They note with gratification your Lordship's assurance that the *ad valorem* duties will be converted into specific duties as soon as possible. They feel confident that they echo the general feeling among British merchants connected with China in expressing a hope that the promise will be interpreted in the most cogent possible sense.

The mere necessity of collecting dues on the basis of each individual invoice

The Right Hon.
The Marquis of Lansdowne, K.G.,
H.M. Secretary of State for Foreign Affairs.

will entail indefinite trouble, confusion, and delay. But a still greater inconvenience occurs in the opportunity offered for incorrect declarations of value which may place the honest trader at a disadvantage in respect to less scrupulous rivals. Specific duties constitute a protection against such practices; and it was largely in the hope of precluding the opportunity which will now occur that the Association ventured, in their letter of the 22nd August, to urge that a longer period should be allowed before the new rates are put in operation.

The two months interval actually agreed to expires, presumably, on the 7th November next, and it appears scarcely possible that the necessary calculations can be made by that date. The Committee entertain no doubt that the desirability of using expedition is clearly realised. They cannot refrain, however, in presence of the threatened inconvenience, from repeating the expression of their reliance that every effort will be used to impress the necessity upon all who are concerned in the work.

I have the honour to be, &c.,
(Signed) R. S. GUNDRY,
Hon. Secretary China Association.

Foreign Office to China Association.

Foreign Office, October 8th, 1901.

SIR,

I laid before the Marquess of Lansdowne your letter of the 3rd instant, in which you reiterate the anxiety felt in commercial circles as to the effect of *ad valorem* duties in China pending the calculation of specific rates, and urging that every effort should be made to complete the work of conversion at an early date.

I am to inform you that His Lordship is fully alive to the anxiety of all those who are interested in the China Trade that there should be no unavoidable delay in the conversion of the *ad valorem* duties to specific rates, and that every effort will be made to expedite the work as much as possible.

I am, &c.,
(Signed) FRANCIS BERTIE.

The Secretary to the China Association,
159, Cannon Street.

APPENDIX C.

LETTERS FROM THE EASTERN BRANCHES ON TARIFF REVISION.

Shanghai Committee to General Committee.

Shanghai, 5th April, 1901.

DEAR SIR,

News received from an undoubted authority in Peking that the representatives of certain Powers were proposing a summary and drastic increase in the Customs Tariff, in order to provide for the service of an international guaranteed Indemnity Loan, led to the preparation of the enclosed Memorandum which was considered by the Committee on the 4th inst. The result of the meeting was the despatch to you, on that day, of the following message :—

> " With reference to indemnity there is every reason to believe certain Powers propose international guaranteed loan secured simple process drastic tariff increase. Strongest possible protest should be made as although increased tariff admissible such hasty action treatment tariff destroys only available lever redress present grievances, besides menacing trade expansion. Should bring pressure to bear on China provide service indemnity from existing sources native revenue which, honestly collected, known capable adequate expansion. Present conference eleven ministers (several no commercial interests) eminently unsuited settle complex commercial questions which should be reserved for future settlement later by leading commercial Powers—you should use every endeavour for this purpose."

The matter in question is, I think, dealt with in the Memorandum with sufficient fulness. It is therefore unnecessary for me to enlarge much further upon it, more particularly as it is one which has constantly occupied the attention of your Committee, and has been one of constant representation to the Foreign Office. It is in fact almost impossible to believe that our Government could for a moment agree to any such hasty and ill-considered treatment of the Tariff question as seems to be proposed by certain Powers ; for it will be remembered that in 1896, when the question of Tariff increase was first mooted, we received Lord Salisbury's promise (2nd July, 1896), that " no change shall be made in existing treaties without previous reference to those who are specially interested in the importation of British goods into China." To

allow the Tariff question to be now thrown into the hotchpot of the peace negotiations would be to altogether abrogate that promise, with most fatal consequences both to existing trade and to the future expansion.

There can be no doubt that the course which, it is represented, is being advocated by the British Minister of Peking is the proper one to pursue. China's existing native sources of revenue are, it is well known, capable of an expansion, under honest and careful administration, quite adequate for the service of the required indemnity—a point upon which no one can have any doubt after a study of Mr. Consul Jamieson's "Report upon the Revenue and Expenditure of the Chinese Empire," published in 1897. We are not for a moment denying the justice of China's claim to revision in her favour of the Tariff, but we do most distinctly claim that such revision shall be the deliberate and well-considered work of the Commercial Powers principally interested, and shall not be made a matter of summary settlement by an unwieldy conference of the Ministers of eleven Powers, many of whom have little or no commercial interests to consider.

I am, &c.,
(Signed) C. J. DUDGEON,
Chairman.

The Hon. Secretary China Association,
159, Cannon Street, London, E.C.

MEMORANDUM.

Enclosure.

I have information from Peking that some of the Powers, either because they have no commercial interests, or because they are in a hurry to get their money out of China, are urging that the question of the payment of the indemnity should be settled by a loan collectively guaranteed by the Powers, and secured on a drastic increase of the Customs Tariff. They are urging, I understand, that such questions as Tariff Revision, abolition of Likin, the creation of new sources of revenue, etc., are all too complicated for discussion in the present situation; that to enter on such discussion will cause the negotiations to drag on indefinitely, and that the concert will not be able to endure the prolonged strain. It is also stated that the British Government show signs of being inclined to agree—the solution of the difficulty being an easy one, as following the line of least resistance.

It is no doubt within the recollection of the Committee that at the time of China's financial difficulties after the Chino-Japanese war, a similar proposition was put forward and was urged by Li Hung-chang during his European Tour in 1896. The plausible argument put forward was:—double the tariff, and there is the money. It will be remembered also that the Chambers of Commerce here and in Hongkong, as well as the Committees of the Association in both places and in London, vigorously protested against this "easy solution"; the standpoint being that, whilst merchants in China were quite willing that the Tariff should be revised in China's favour, yet that a *quid pro quo* was necessary on China's part securing her more honest fulfilment of the Treaties and redress of existing grievances of irregular inland taxation—that,

in fact, the concession of an increased Tariff should be used as a lever for relieving trade from its present hampered conditions.

The point was considered to be of such importance that the Chamber of Commerce and the Association combined in sending a special delegate to Peking to urge the views of the Shanghai community upon the Ministers, and I had the honour of undertaking the work. From interviews that I had with Sir Robert Hart it seemed to me that the "easy solution" had his support, and Li Hung-chang was of course keenly urging it. The reported inclination of the British Government to agree to the "easy solution" may not be unconnected with the representations of Sir Robert Hart.

On the other hand, my information is that the British Minister is opposed (personally) to the "easy solution." His desire is altogether to separate the commercial negotiations proper from the present "peace" negotiations; and for this purpose he desires that China be asked to provide the revenues for the indemnities by handing over the proceeds of certain existing revenues, viz., Salt, Native Customs, Rice Tribute, etc., up to the amount required for the service of the indemnity. This need not involve, in the first instance at any rate, direct foreign control over the administration of these revenues, though such control might be held *in terrorem* over the heads of the Chinese, should they fail to make the required payments. The idea is, in fact, that under the stimulus of necessity the Chinese would themselves extract a sufficiency of revenue from these sources, in the same way that, under Sir Robert Hart's advice, they have extracted a sufficient increase from Likin revenue in certain provinces (in which provinces, and at whose expense,we need not go into at present) in order to elude the control which was contemplated when certain provincial Likins were included in the guarantees for the 1898 loan. Sir Ernest Satow, I am told, is opposed to the raising of a "collectively guaranteed loan," his view being that the indemnity due to each State should form a debt due to it by China, on which she would pay interest and amortization until complete redemption. This may possibly be going too far as a representation of Sir Ernest's views, but anyway his main point is to provide, if only temporarily, for the services of the indemnities without touching the big questions affecting foreign trade, so as to leave them to be dealt with carefully and deliberately on their own merits after the "peace" negotiations are over.

I think we must all agree that this policy is one which the Association should support. To settle the indemnity question by a stroke of the pen imposing a 10 per cent. *ad valorem* duty in lieu of the existing tariff would mean giving away the only lever we have for obtaining redress of existing grievances as to Likin, Inland Navigation, etc.; and to commit to the representatives of 11 Powers (many of which have no commercial interests worth speaking of) the settlement of commercial questions in which the future trade of China is involved would be, on the part of Great Britain, simply suicidal.

I would suggest to the Committee that we should take immediate action in this matter; we need not commit ourselves to any definite proposals as to how the service of the indemnity should be provided. That perhaps would be going beyond our province. We might, however, urge that pressure be brought to bear upon China to provide for the service of the indemnity out of existing sources of revenue, distinct from foreign trade—which, under more careful and honest administration, are known to be capable of adequate expansion. In any case the point upon which we

ought to lay stress is that the actual and potential development of British trade should not be jeopardised by any hasty and ill-considered scheme of increase of the Customs duties which would merely aggravate existing anomalies and deprive us of the only lever for extracting from the Chinese the redress of grievances which hamper both the productivity of the Empire and the growth of foreign trade and shipping. We might add also that the present Conference of Ministers, in which representatives of Powers having hardly any commercial interests in China appear to have an equal voice, cannot be regarded as a satisfactory instrument for conducting complicated commercial negotiations, and that the British Government should therefore make every effort to keep such negotiations apart for future settlement by the leading commercial Powers as soon as normal conditions of government have been restored in the country.

* * * * *

(Signed) C. J. DUDGEON,
Chairman.

Shanghai, 2nd April, 1901.

Shanghai Committee to General Committee.

Shanghai, 24th May, 1901.

DEAR SIR,

Information having been received from Peking that the British Minister had presented to his colleagues a scheme for the payment of the indemnity which included an immediate raising of the Import Tariff to an effective 5 per cent. basis, reserving the question of further increase until Clause XI. of the Protocol should come under consideration, the Committee deemed it desirable to again telegraph to you as follows:—

"Understood British Minister proposes immediate restoration effective
"5 per cent. import tariff, reserving question further increase until clause 11
"protocol considered. Maintain protest (against) any meddling tariff (for)
"reasons contained recent telegrams."

In sending this telegram, the Committee were actuated more by a desire to maintain a consistency of attitude than by any hope that their representations will be effective. It is, of course, to be assumed that the scheme put forward by the Minister has the approval of the British Government, in which case there is little chance of our protest being effectual. At the same time the Committee consider that the attitude of the Association in opposing *any* increase in the tariff being granted to China except in exchange for the removal of existing abuses should be consistently maintained; to gratuitously give away anything now lessens, to the extent of the gift, the power of leverage for obtaining the redress of trade grievances.

* * * * *

I hope to be able to send you, by next mail, a copy of a despatch to H.M. Minister dealing generally with commercial questions in the light of Treaty Revision.

I am, &c.

(Signed) C. J. DUDGEON, Chairman.

To the Hon. Secretary,
London.

China Association (Shanghai) to H.B.M. Consul-General.

Shanghai, 31st May, 1901.

Sir,

I have the honour to acknowledge your despatch No. 17, dated 4th March last, with which you hand me a copy of H.M.'s Minister's letter to you of 15th February, written in reply to the Association's communication of 22nd January, in which His Excellency expresses his desire to be informed as fully as possible of the wishes of the British community with regard to various matters affecting British commercial interests.

The Committee desire to thank His Excellency for his courteous communication, which has received their earnest consideration, and they trust that the following wider amplification of their letter of 22nd January may be found to contain the fuller information which His Excellency asks for.

In preparing this letter the Committee have thought it not inopportune to refer to old-expressed opinions by British merchants in China upon the question at issue; it is indeed noteworthy to remark how little many of those questions have altered during the last forty years, what little progress has been made towards their elucidation, and how closely the representations of British merchants to-day coincide with those made by their predecessors at the time of the attempted revision of the Treaties in 1869.

Inland Residence.

The first question touched upon by His Excellency is that of Inland Foreign Residence, in connection with which is raised the difficulty that is presented by the present system of extra-territorial jurisdiction, and His Excellency suggests that the right of foreign residence in the interior might be confined to "some of the more important commercial centres through which railways are expected to run"—which centres, it is further suggested, the Association might usefully specify. His Excellency also refers to the Temporary Residence Clause in the Shimonoseki Treaty, and asks what extension of this clause does the Association consider desirable?

The question of the right of foreigners to reside in the interior occupied a very prominent position in a "*Memorial on the subject of the Revision of the Treaty of Tientsin*" which was addressed by the Shanghai General Chamber of Commerce to Sir Rutherford Alcock in 1867. In that document is expressed the earnest hope that Her Majesty's Government would negotiate for the privilege; the memorialists urged that "the right of renting land and houses in the interior would pave the way to the intro-"duction of railways and the development of the mineral resources of China". As a check against abuse of the privilege the memorialists suggested that "Licences from the Consuls at the various Treaty Ports should be issued, and regulations framed under "which the foreigner in the interior would be liable not only for the payments of all "personal taxation to which he, in common with his Chinese neighbours, may be "lawfully subject, but also for his appearance at the licensing port on the summons "of his Consul, to answer any charges that may be brought against him."

It was no doubt these representations which influenced the framing of Rule VII attached to the Alcock Convention of 1869; under this Rule British Merchants were to be permitted "to rent for short periods either hotels or private houses, * * * "but on which they are not to exhibit their hong name or the style of their firm. "* * * * In the case of inns and houses thus rented from Chinese, the British

"merchant is not to interfere to protect the landlord from the incidence of the taxes and charges for which his house or property is assessable." In their criticism of this Rule the Chamber, while cordially recognising the admission in principle of a right which had long been striven for, stated their opinion that the Rule was rendered absolutely inoperative by the provision which forbade any interference on the part of the British merchant with the taxation of his landlord; a provision which, it was pointed out, seemed practically to invite the squeezing of the landlord at the will of a hostile mandarinate. Objection was also taken to the prohibition against the exhibition of hong names, as being meaningless and derogatory; the Chamber regretted the non-progressive spirit in which the Rule seemed to have been framed, and declared it to be, in fact, a retrogression on the rights already possessed under the Treaty of Tientsin.

Under Article IX. of the Tientsin Treaty, British subjects possess the right to travel under passport to all parts of the interior for purposes of trade, and Article XII. confers upon them the right, whether at the ports "or at other places," to build houses, warehouses, etc., etc. This Article undoubtedly had in contemplation inland residence, and the Committee would suggest that what is now required is that in addition to the passports to travel, there be issued licences to reside; the issue and period of such licences to be at the discretion of the Consuls at the ports, the holder of a licence being free to build, rent or hire accommodation for himself and his goods, free of special taxation, but liable for such ordinary taxation as may be lawfully leviable upon his Chinese neighbours, and subject also to his appearance at the licensing port on the summons of his Consul.

The "Temporary Residence Clause" in the Treaty of Shimonoseki, to which His Excellency refers, does not directly mention the matter of residence at all, but merely provides for the temporary renting or hiring of warehouses in the interior, in which Japanese subjects may store either their purchased produce or their transported merchandise, the most important feature in the clause being that they are permitted to do so "without the payment of any taxes or exactions whatsoever." No doubt it may be claimed that the right of residence is inferred, but in so important a matter it may reasonably be considered necessary that as little as possible be left to inference.

The suggestion made by H.M.'s Minister that the right of inland residence be confined to "some of the more important commercial centres through which railways are expected to run"—which centres, His Excellency suggests, the Association might usefully specify is not one which, in the opinion of the Committee, British merchants would be at all willing to accept. The Committee believe that they are expressing the views of British merchants generally in saying that such limitation of the right of inland residence would constitute an abandonment of the far more comprehensive right contemplated by the Tientsin Treaty, and which has only been rendered inoperative through Chinese obstruction. Railway construction is a matter of the future, and must necessarily be slow in development: in any case, in the absence of definite information as to the routes to be followed by the projected lines, it is impossible for the Committee to comply with his Excellency's suggestion that they should specify the commercial centres which are likely to receive railway communication. On the other hand the admirable system of water communication which obtains

in many parts of China affords easy communication with numerous important commercial centres, where the right of inland trading and residence could be both easily and advantageously availed of.

At the time when the Alcock Convention was drafted, some doubt was expressed in high quarters as to whether the privilege of inland residence would ever be availed of to any important extent; but whatever may have been the reasons for such opinion then, the changes which have taken place in China's foreign trade during the past thirty years leave little room for their repetition now. An immense trade has been developed in the export of articles of China's production previously almost unknown, and the establishment of industrial enterprises at Shanghai and elsewhere has caused a demand for large supplies of raw material for manufacturing purposes; the collection of such raw produce, whether for export or for manufacture, presents one of the chief difficulties to be contended with, and it is believed that the establishment of foreign inland depôts and agencies would go far to place both the export and manufacturing trades on a far sounder and more satisfactory basis than at present.

With regard to the second point raised in the Committee's letter of 22nd January: namely, "improvement in means of communication," the subject is one which naturally divides itself under the two headings of Railways and Inland Navigation.

Railways.

In the matter of Railways it is of course idle to labour the point of the advantages which would accrue not only to commerce but to China herself through their introduction. The Committee would however venture to direct H.M.'s Minister's attention to what was written on the subject of railways by the London Committee of the Association in a letter addressed to Lord Salisbury on the 8th July, 1898 (C. A. Annual Report 1898-1899, page 24.) In that letter stress was laid upon the anxiety caused by the international rivalry which was apparent in connection with the various schemes for railway development in China, and a grave fear was expressed lest, in the politically helpless condition of China, "railways constructed by Foreign States, under "State auspices, with State aid, may not in the near future be held to constitute "territorial claims." To meet this danger the letter urged that, if it is too late to encourage and help China in the assertion of her sovereign rights by the creation of a Railway Bureau for the construction and management of her own lines, "it may still "not be too late to organise a Department capable of imposing some measure of "uniformity, and of exerting such a degree of control as to prevent rival concessions "assuming national hues, and being administered under different systems on exclusive "lines." The Committee desire to again press the urgency of this representation, and it is trusted that in the negotiations which are now in progress a scheme may be devised for the nationalisation of all railways in China by whomsoever constructed.

Before leaving the question of Railways there is one matter which the Committee desire to press upon the attention of H.M.'s Minister, namely the disadvantage under which British Railway enterprise in China lies, in view of the State aid which is undoubtedly lent to the Railway schemes of foreign countries. The matter was specially made the subject of representation in the above quoted letter to Lord Salisbury, when it became known that the concession for the construction of the Lu-han Railway, a line running into the very heart of the Yangtsze region, had been granted nominally to Belgium, but with France and Russia known to be the two Powers behind the veil, and

with the Russo-Chinese Bank representing the financial power. The political importance of this concession was considered too great to be disregarded, and the Association was led to repeat its expressions of anxiety as to what steps had been taken to give precision to China's promises that no portion of the Yangtsze region should be leased or ceded to a Foreign Power. The Association's letter continued as follows:—

"Manchuria has been given up to Russia, and it is practically certain that no British "interest would be admitted in the line which Russia is about to construct between "Kirin and Talienwan. It would be consistent to expect that Russia would refrain "from encroaching on the British sphere. It would be immeasurably preferable that "important trunk lines should be made by China herself—with foreign capital, because "foreign capital is necessary—but by foreign capital attracted, as it might be "attracted, by provisions for foreign management under Chinese control and Chinese "guarantee. Failing such methods, however, the Association ventures to suggest that "Parliament might be invited to protect British interests by a British guarantee. "The proposition is based, of course, on the assumption that England is interested in "maintaining the Yangtsze region intact, and that the control of its approaches is a "matter of Imperial concern. It is based on the further assumption that the Russo-"Chinese Bank is a Russian State Bank, and that any enterprise executed by a State "Bank has a political aim. Commercial enterprise may be left to compete with "commercial enterprise; private capital may be left to compete with private capital; "but the operations of a great State Bank cannot be rivalled by private finance, either "in regard to promptitude or daring."

Inland Steam Navigation.

The right to navigate China's inland waters is probably the most important concession obtained from China in principle since the Treaty of 1858; unfortunately it has so far remained only a right in principle, and has not been found capable of being made a right in practice.

The privilege of steam navigation on the inland waters of China has been a matter of representation for fully forty years; it was specially urged in the Shanghai Memorial of 1867 (already alluded to), but received no further recognition than the grudging permission which was contained in the Alcock Convention, that British subjects desiring to move their goods in the interior "are permitted to use their own vessels if of the Chinese type and propelled by sails or oars"—a permission which was at once condemned as valueless.

The recognition of the right of steam navigation obtained by Sir Claude MacDonald in 1898 was consequently received with feelings of lively satisfaction, a satisfaction which was however largely diminished when the Rules and Regulations for the conduct of the traffic were published.

The whole matter is exhaustively dealt with in the Association's Annual Report for 1899-1900 (pages 66-90) to which the Committee would refer His Excellency. The reasons of failure shortly stated seem to be as follows:—

1.—The hostility of the Chinese provincial officials, who no doubt look upon the innovation as an interference with their sources of revenue.

2.—The dual system of Native and Foreign Customs at the Treaty ports; a system which it has constantly been urged should be terminated by the amalgamation of Native Customs with the Foreign Customs, which step would not only be beneficial to trade, but would also be largely to the benefit of the Chinese revenue. [In special

connection with this point reference may be made to Mr. Consul Jamieson's Report upon China's Revenue and Expenditure 1897, page 36].

3.—The complications arising through the different conditions attaching to the varying classes of goods carried, affording full opportunity for local official obstruction at the likin stations where the "proper duties" are to be paid. It seems pertinent to ask what are the "proper duties" at a likin station? Tariffs are no doubt exhibited, but it is well known that they are never adhered to, though it may be taken for certain that the utmost maximum of impost will be applied against the foreign carrying trade.

4.—The impossibility of conducting inland carrying traffic, unaccompanied with the right of Inland Residence. It is plain that unless the owners of foreign steamers have the right to establish inland depôts for the purpose of receiving goods, and for the purposes of the steamers themselves, the traffic cannot be successfully conducted.

5.—The restrictions imposed by the Regulations themselves. These are dealt with very fully in the Memorandum from the leading Shipping Companies in Hongkong (C. A. Report 1899-1900 pages 77-81). The result of the Inspector-General's decision that inter-treaty-port steamers shall not also be registered for inland navigation is well illustrated both in the letter of Mr. Hosie (p. 73), and in the Shipping Companies' Memorandum (p. 80). It amounts to this: the steamship owners must provide two classes of steamers for the distribution of goods over the same area, one class for inter-treaty-port carrying, and another for distribution at stations *en route;* Mr. Hosie's illustration of a tradesman being obliged to keep two vans for the delivery of his goods in the same street aptly represents the position. The objection raised to Supplementary Rule 5 to the Regulations, which provides that "Cargo "shipped on native boats to be towed by steamers is on the same footing as regards "duty payment as steamer's cargo," is that it is idle to hope that the "same footing" will ever be accorded to cargo so conveyed, as long as the present dual system of Customs and the obstructive opportunities of the likin system continue. Supplementary Rule 8 to the Regulations provided for the publication of the "Rules and Regulations in force at the several places were Dues and Duties are payable," but though such publication was promised early in 1899, nothing more has been heard of the matter; the Hongkong Shipping Companies no doubt correctly represent the situation when, in their memorandum, they state that they are "not so sanguine as "to entertain the belief that a workable tariff ever will be published by the provincial authorities."

Likin.

As long as the likin system continues, with its endless obstructive barriers and corrupt practice, it is perfectly certain that no "workable tariff" can ever be arrived at. The dead wall of obstruction which the system opposes to all trade, native and foreign alike, has been the subject of unremitted representation, not alone by foreigners but by natives themselves, ever since the definite appearance of the system some 40 years ago. In urging the abolition of a system of taxation which has been well described as being "both in form and incidence as objectionable as it is possible for a tax to be," and which moreover has been condemned by the Chinese authorities themselves as being both abnormal and objectionable, no blow is struck at anything fundamental in China's system of taxation. The taxation is one of recent imposition, promises have again and again been made that it shall be abolished, and if in these

times of financial difficulty it is impossible for China to lessen her sources of revenue, surely the opportunity of such difficulty might be made occasion for pressing upon her reforms in her methods of revenue collection which, coupled with a system of more honest fiscal administration, would be beneficial to herself and to her trade alike.

Advocates of the abolition of the likin system have recently received strong support in the representations which are reported to have been made by high Chinese officials having the same object in view. In a Memorial addressed by His Excellency the Viceroy of Nanking to the Throne in February last, among the reforms therein suggested is the abolition of all likin stations in the interior, and the collection of inland duties upon foreign imports at the port of entry by the Foreign Customs. H. E. Sheng is also reported to have memorialised the Throne to the same effect, his memorial being supported by both the Nanking and Wuchang Viceroys. It may surely be taken for granted that, though advocating the abolition of the likin system, these high officials do not propose that the provincial revenues shall be diminished by the amount which such collection represents; it is rather to be presumed that they have in view some scheme of reform of internal taxation which will substitute for the present objectionable, obstructive, and corrupt system of likin something which will not be detrimental to the provincial exchequers and which will be beneficial to trade. In any case the question of how China's fiscal administration can best be reformed is one which hardly falls within the province of the Association; foreign trade with China is probably not one-tenth of the whole trade of the country, and the matter is therefore one essentially for China herself, for it is her own trade and her own revenues which are the chief sufferers from the existing corruption; what primarily concerns the Association is to maintain its protest against all irregular exactions upon foreign trade, whatever may be the fiscal arrangements which China may find best suited to her own requirements.

Substitution for Likin.

H.M.'s Minister asks that the Association supply "a well considered plan for the collection of revenue to be substituted for likin whether upon foreign goods "going up country, native goods coming down to the ports for shipment, or upon "merchandise moving in the interior." The Committee in reply beg respectfully to submit that in their opinion the question is not one of "the collection of the revenue to be substituted for likin"; the point that British merchants have urged, and continue to urge, is that, in the words of Article XXVIII. of the Treaty of Tientsin, goods, whether imports or exports, when they have paid their commutation of inland duties, shall be exempted from "all further charges *whatsoever*," whether it be likin or any other form of Chinese exaction. And in maintaining this contention the Committee feel that they cannot do better than quote, as expressing the opinions of to-day, the views expressed in the Shanghai Memorial of 1867. The memorialists then wrote as follows:—"Your memorialists fully recognise that the Chinese have the right to tax "their own subjects as they see fit, but submit that right to be limited *quoad* foreign "commerce by Treaty. Whatever doubts may exist as to the interpretation of some "of its clauses, there can be no questiou that the Treaty of Tientsin was intended to "enable us to send our manufactures for sale among the natives of this country upon "payment of defined Import and Transit Duties and without further taxation or "restriction; and it cannot but be a subject of the deepest regret that the meaning of "the Tariff is evaded, and that the privileges which it was imagined would be secured

"by it are lost, through the unwillingness or inability of the Imperial Government to "prevent the local officials from acting in direct opposition to its clear terms and "provisions."

But though the Committee are unable in any way to admit that the question is one of devising some impost in substitution of likin on foreign goods, it will probably not be considered inopportune if they bring to the notice of H.M.'s Minister some of the suggestions which have in the past been made, aimed at arriving at some more satisfactory system for the collection of the proper, and for protection against the improper, duties upon foreign merchandise.

It has on several occasions been suggested, in the writings of the Association, that the obstructions opposed by the provincial officials to foreign trade are not the outcome of any inherent hostility to foreign trade *per se*, but are the result of the interference with provincial revenues for which the foreign trade regulations are responsible. For instance, the imperialisation of the Customs Revenue deprived the provinces of a considerable resource, for instead of remitting to Peking a fixed quota out of the Customs which each province formerly collected for itself, they now receive a certain quota of the collection which has been taken into Imperial hands, and it may be assumed with certainty that they are losers by the change. The hostility is, no doubt, more particularly felt against the Transit Pass system which, by an imperial collection of a commutation payment of "all further charges whatsoever," deprives the provinces of a direct source of revenue from foreign trade which would otherwise be theirs. It is thought that if some arrangement could be come to whereby the imperially collected commutation payments would find their way into the provincial exchequers, one great cause of provincial hostility would be removed; and it has been suggested (C. A. Report 1896, page 31) "that this might be accomplished by a stipu- "lation that Transit Passes shall constitute in the hands of the provincial government "concerned, vouchers which it shall be empowered to encash in full at the nearest "Imperial Maritime Customs office, appropriating the amount for local administrative "purposes. The suggestion commends itself as likely to promote the object in view. "Subordinate officials, and their assistants, might still be interested in trying to "squeeze, but these local irregularities might be combated if the provincial treasuries "were appeased, whereas they are almost beyond check when they have the sympathy "of the provincial magnates."

In a letter addressed by the Committee of the Shanghai General Chamber of Commerce to Sir Thomas Wade, dated 21st June, 1872, a belief was expressed that "if, when the revision of the foreign Treaties shall again come under consideration, "the Imperial Government would accept a first and final payment at the port of entry "which would free foreign merchandise from further taxation throughout the Empire, "an increased Tariff would not be objected to by those interested in foreign trade." In 1896, when Tariff Revision seemed to be coming "again under consideration," the idea of the single duty payment was revived, and was generally accepted; it is, in fact, the system applied to opium by the Convention of 1885, allusion to which is made in His Excellency's letter. There can be no doubt that if a single duty payment would in reality free goods from all further taxation in the interior, such simple method of collection has much to commend itself; it came however to be felt that an imperially collected single duty, unless accompanied by substantial guarantee for the equitable

division of such collection between imperial and provincial coffers, would merely be to enhance existing evils; that, in fact, the increased collection at the ports would merely mean an additional burden upon trade. The London Committee of the Association (C. A. Report 1896, page 31) expressed themselves as "opposed, for these reasons, to "merging the Import and Transit Duties in one sum. The two should—though "collected at the same time—be kept separate in account, and be applied respectively "to imperial and provincial purposes. They consider that the concession of an "increased Import Duty should be made conditional (subject to this arrangement) on "a distinct understanding to enforce Article XXVIII. of the Treaty of Tientsin "throughout the eighteen provinces; likin, terminal duties, and additional charges of "any kind to be declared illegal, the Transit Duty to cover all inland taxation, and "some form of penalty to be exacted for infringement."

The present Transit Pass system has proved to be a hopeless failure, and for the reason that it has stirred all the hostility of the provincial officials; in any re-arrangement the first essential is to provide that the Duties, though they may be imperially collected, shall be equitably divided between the imperial and the provincial exchequers.*

Ownership *versus* Origin.

H.M.'s Minister raises a point in connection with internal duties upon foreign imports upon which the Committee feel obliged to make some comment. His Excellency writes:—"As regards foreign imports, I presume that the exemption from "likin, or other inland dues, by payment of the additional half-duty could not easily "be continued beyond the point at which the goods carried ceased to be foreign "property." This seems to resurrect the old question of "ownership *versus* origin," a question which it was believed had long ago been settled in favour of the firmly maintained contention of British merchants that it was the "origin" and not the "ownership" which governs the question of taxation. Some of the authorities which can be quoted in favour of this contention, incidentally appear in the section of the Association's Report for 1897-1898, pages 65-77 headed, "Lekin on Foreign Imports." To these the Committee beg to draw His Excellency's attention; they are as follows:—

Rule VII. attached to the Treaty of Tientsin, which states that merchandise imported by British subjects, having paid the half-duty commutation, and having received a certificate therefor, "no further duty will be leviable upon imports so certificated, no matter how distant the place of their destination." (page 67).

Lord Elgin's interpretation of Rule VII.: he wrote:—"Henceforward, on pay-"ment of a sum in name of Transit duty, which for simplicity's sake has been fixed "at one-half of the Tariff rate of duty, goods—whether of export or import—will be "free to pass between the port of shipment or entry to or from any part of China "without further charge of toll, octroi or tax of any description whatsoever." (page 67).

Sir Rutherford Alcock's despatch addressed to the Tsungli Yamen in 1868, in which he says:—"China has by her treaties foregone all further right of taxation "on whatever can be shown to constitute the foreign trade * * * Likin consti-"tutes a violation of Treaty rights * * * This question of the assumed right of

*Since this letter was prepared, the Committee have received a communication from a member of the Association on the subject of likin in Szechuan, an extract from which is given in Appendix F.

"the Chinese Government to tax foreign trade *ad libitum* is one of principle, and is of "such vital moment to the interests of commerce that a British Minister can have no "discretionary power in protesting against it as a violation of treaty." (page 68.)

The note of Tseng-kwo-fan, Superintendent of Trade for the Southern Ports, in which, after rehearsing the treaty clauses, he says :—"Thus it is evident that foreign "goods entering the interior, *whether in the hands of Chinese or foreign merchants*, if "they hold a certificate that transit duty has been paid, then no further likin or duty "shall be demanded." (Reference is also directed to the continuation of Tseng Kwo-fan's note). (pages 68-69.)

Sir Rutherford Alcock's despatch to H.B.M.'s Consul Shanghai of 24th November, 1869, in which, in drawing a distinction between foreign imports and native produce, he writes :—"It is otherwise with foreign imports. *These are entitled to the protection "of Transit Passes, whether in Chinese or Foreign hands.*"

Chinkiang Rules.

Any other interpretation of the treaty is, the Committee submit, impossible ; to allow that foreign imports, as soon as they have left the hands of the foreign importer, may be surcharged with duties at the caprice of the Chinese authorities would be to abandon one of the most essential objects which the treaty had in view.

On the question of Chinese produce brought to a port for foreign export, His Excellency enquires whether the system known as the "Chinkiang Rules" is capable of application at other ports? In reply to this question the Committee would state their opinion that, presuming the existing internal fiscal arrangements of China are to continue unchanged, in such case a general application of the Chinkiang Rules, amended in themselves and further amended according to local conditions and requirements, is to be recommended ; it being believed that the system embodied in the Rules represents the best which has yet been devised for the protection of both Chinese and Foreign interests. In expressing this opinion, however, the Committee do not at all mean to imply that the Chinkiang Rules represent anything in the nature of a policy of perfection for the treatment of native produce ; all they say is that, under existing fiscal arrangements, the Rules have been found to embody a far more satisfactory system for dealing with native produce than has existed elsewhere. If however, as seems probable, changes are contemplated in China's provincial fiscal administration, it is desirable that further consideration of the whole question be reserved until it is known what is the nature of the reforms proposed.

In anticipation however of a possible revival of the proposals for the treatment of native produce, which were embodied in the Alcock Convention of 1869, the Committee desire to repeat the objections which they urged against those proposals at that time, believing them to be of equal force to-day. The plan suggested was that native produce purchased in the interior by British subjects, whether in person or through native agents, should be liable to all inland "charges, dues and duties on the way to "the port, just like any other Chinese goods in Chinese hands." Receipts for all payments were to be given at the inland Customs stations or barriers, and if on exportation of the produce such payments were shown by the receipts to be in excess of the treaty transit dues, such excess was to be refunded. The objection raised to this plan, and which is now repeated, was that even if the required receipts were granted (a doubtful point in itself) there could be no certainty that such receipts really represented the actual payments made. An apt illustration of the value of

such receipts is given in the already quoted report by Mr. Jamieson upon China's Revenue and Expenditure (page 17.) Mr. Jamieson cites a case, for the facts of which he vouches, in which a foreigner being called upon to pay barrier dues to the extent of 12,600 *cash*, or about 7½ taels, was only able to obtain a receipt for 4 taels. The matter was made one of Consular representation, with the result that the "chief "Chinese authority explicitly declared that though 4 taels was the proper charge, yet "a tael was not a tael in the ordinary sense of the word, but was such a sum as would "enable the local authorities to lay down a tael of the standard weight and purity in "Peking, and consequently included a meltage fee, loss on melting, freight and costs "of transmission, and general office expenses, and that all that turned into *cash* "meant, according to old established custom, 12,600 *cash* for 4 taels, consequently a "receipt for 4 taels, the legal sum, was the only receipt they could give." That is to say that the receipt given represented little more than 50 per cent. of the actual collection. Under such conditions of utter worthlessness of inland official receipts, the scheme embodied in the Alcock Convention for the treatment of native produce *en route* is plainly unworkable.

Chinkiang Repacking Rules.

His Excellency suggests that some plan might be devised for the treatment of Chinese produce brought down to a port to undergo a process of preparation or manufacture for export. Attached to the Chinkiang Rules are what are known as the "Repacking Rules," and by a liberal reading of these the Customs authorities do allow a certain amount of preparation of native goods prior to export. It is believed that an extension of the system might without difficulty be devised, but to what extent, and under what conditions, it is not easy to say without full consideration of the various trades likely to be interested and the requirements of each. It would seem sufficient in the first instance to obtain recognition of the principle, leaving details to be worked out in accordance with the varying trade conditions.

Mining and Railway Regulations.

In response to His Excellency's desire for a full expression of the Association's views upon the existing Mining and Railway Regulations, the Committee have had prepared the two memorandums which are attached to this letter. (App. A. & B.)

Improvement of the Navigation of the Hwangpoo.

On the subject of the improvement of the navigation of the Hwangpoo, His Excellency enquires whether the scheme, which is published in the Association's Report for 1899—1900 (pp. 58 to 60), is one which commands the general assent of the commerce and shipping of Shanghai? The Committee believe that they have full reason for replying in the affirmative. The scheme which, it is to be noted, is confined to questions of control and finance, is the outcome of much careful work on the part of the commercial community in co-operation with the Consular Body; its terms will, it is believed, be opposed by the authorities of the Imperial Maritime Customs for the reason that it encroaches upon their present control over matters of port approaches and harbour regulations. As regards the approaches to Shanghai, however, the efficacy of such control has been much impaired by the apparent absence of either financial means or sufficient administrative power, and in now offering to supply the "means" the community considers that it is fully justified in claiming a voice as regards the "ways." The community has on more than one occasion put itself to heavy expense in order to obtain expert opinion as to how the river approaches to Shanghai can best be improved and conserved, the last report being that prepared in 1898 by Mr. de Rijke, a copy of which has recently been forwarded to his Excellency.

Upper Yangtsze.

The Committee regret that they are without information enabling them to lay before His Excellency any definite scheme for the improvement of the navigation of the Yangtsze between Ichang and Chungking. The great importance of the matter as affecting trade interests in the Yangtsze caused it to be made the subject of a special memorandum which was submitted to the Foreign Office in December, 1898. (Association's Report 1898-1899, pp. 113 to 118), and the Committee can only re-urge the suggestion then made for the formation of an expedition, assisted by Government, in order to make a thorough study of the local conditions and possibilities.

Peiho and Taku Bar.

The question of the improvement of the Peiho and Taku Bar has been made a matter of special study by the community of Tientsin and, though they are without details, the Committee believe that a definite scheme has been prepared, and is now being made the subject of representation to the authorities. The Municipal Council of Tientsin will no doubt be able to supply His Excellency with full information on the subject.

As further expressing views which have at various times been put forward by the Association on questions affecting British trade interests in China, the Committee would venture to specially direct His Excellency's attention to the following documents which are published in the Association's Reports :—

A letter from the Shanghai Committee to the General Committee dated 10/4/1895 ...	Report 1895-6, p. 15.
A letter from the same to the same, dated 10th July, 1896	do. 1896-7, p. 55.
A letter from the General Committee to the Foreign Office dated 2nd November, 1896 ...	do. do. p. 38.

The Committee have prepared the following notes which are given as Appendices to this letter.

Appendix C. A note upon the "Most Favoured Nation Clause." The preparation of this note was in some measure influenced by the fact that the Clause proposed by Sir Robert Hart is the same as was embodied in the unratified Alcock Convention, and the Committee desire to sustain the exception taken to it.

Appendix D. A note on the increase in revenue which might be expected to accrue from a revision of the Import Tariff to a 5 per cent. *ad valorem* basis, plus 2½ per cent. in commutation of all further inland taxation; a note is also added bearing on the Export Tariff.

Appendix E. A note showing the share of the Gulf of Pechili Ports in the total foreign trade in China.

Conference in Shanghai for discussion of Tariff questions.

In conclusion the Committee venture to express the hope that, for the examination and discussion of questions of tariff, as well as of other important commercial matters, it may be found possible to follow the precedent of the Treaty of 1858 by the appointment of a Conference in Shanghai, where expert commercial opinion can be most conveniently and readily availed of.

I have the honour to be, &c.,
(Signed) C. J. DUDGEON, Chairman.

APPENDIX A.

MEMORANDUM ON RAILWAY CONCESSIONS IN CHINA, BY G. JAMES MORRISON, M.I.C.E.

In approaching this subject, it is necessary to keep constantly in view the fact that the basis of negotiations with China is different from, if not diametrically opposed to, the basis of negotiations with other countries. Concession-hunters and hangers-on generally are to be found all over the world, but here the likeness ceases. In other countries the Governments as a rule have come to the conclusion that it is of such importance for the nation that means of intercommunication should be provided, that they are prepared to grant reasonable facilities to foreigners to invest their capital in railways.

In China on the other hand the immense advantages of easy communication are not recognised. Railways are no doubt looked upon as useful in time of war for transporting armies (perhaps their capabilities in this respect are over-rated) and in time of famine for transporting grain, but these are exceptional cases, and the government of China appears to look upon them as being principally useful as direct sources of revenue. They talk of 40 per cent. of the profits on Railways being paid to the Government, they talk (letter Tsungli Yamen to Sir C. Macdonald, 6th October, 1898) of the arrangements which are necessary "in order that natives and foreigners "might equally enjoy the profit to be gained," although it is well known that it is only in exceptional instances that Railway profits are more than sufficient to pay a reasonable return on the money invested. The result of this is that their proposed regulations (Blue Book China, No. 1, 1900, page 23) are of the most harassing description.

As it is the test of all legitimate trading that the business should be advantageous to both parties concerned, so in Railways the shareholders in the end can only reap large profits if they cater for the requirements of the people. It is true that all railways must be more or less of monopolies where this rule does not entirely hold good, and therefore they must be subject to certain regulations; but on the whole the interests of the Railway Company and the public are very closely allied, provided the Company is free to act; and it should be the aim of the Government to make regulations such that it is to the interest of the Company to grant facilities for travel at a cheap rate. The mutual advantages in the case of a railway concession then are that the country gets the benefit of good means of communication and the investors get the benefit of good interest on their capital. To this end it is important that any new company should have inducements to raise its capital cheaply, to expend it economically, and to manage its business so as to grant facilities to the public. It will be best to begin with the last. The most satisfactory results in thickly populated countries are generally derived from the granting of great facilities for the transport of persons and goods at low charges. This involves careful and bold management, but this will be forthcoming if the reward is in sight. Yet what are the proposals? Putting aside the utterly preposterous suggestion of 40 per cent. of the profits (which is the proportion stated in their general regulations), the terms in the Tientsin-Chinkiang agreement, (which is on the whole a workable one), are that of all profits earned over the amount necessary to pay 5 per cent. guarantee one-fifth goes to the bond-holders, that is to say that the Board of Control and the officers of the Company

by the neglect or at best the perfunctory performance of their duties can make sure of a dividend of 5 per cent., while in order to get a dividend of 6 per cent. it will be necessary to earn the enormous profit of 10 per cent.—a result that has been achieved in only a few exceptional cases in the world. The hopelessness of ever obtaining any material increase over the guarantee cannot fail to make the management careless; moreover, as the guarantee is paid on the capital, there is no inducement to construct the line economically, and all attempts to keep down cost by means of regulations will tend towards having these lines constructed cheaply, which is an entirely different thing from having them constructed economically, and from the very outset there is no inducement to raise the necessary capital in the best manner. If on the other hand surplus profits were to be divided, say in the proportion of half to the Company and half to the Government, the Company, having a reasonable hope of earning a material increase of dividend, would have a strong inducement to go in for good management. Moreover if the terms are such that there is a fair chance of the Company deriving a benefit from good management, it will be to the manifest advantage of the Company to raise its capital cheaply and expend it economically, because the smaller the amount of nominal capital, the higher will be the ratio of returns from any given income. Hence the offer of a larger share of profits to the Company will tend towards having railways constructed with a moderate expenditure of capital, thus reducing the total of the guarantee, and towards the Companies exerting themselves to earn large returns of which the Government will receive a small share that will be better than nothing. In short, if the Government desire to have railways for the purpose of opening up the country and of granting the advantage of good means of communication to the people, they can have as many as they like by offering reasonable facilities. If, on the other hand, they look to railways as sources of direct profit, then—seeing that such profit is non-existent—companies will be forced to scheme so as to get the best terms they can, and if they secure concessions by making agreements under which they promise to give to the Chinese Government four-fifths of a surplus profit which they well know will never be earned, they must not be blamed. In the case of the earlier railways through the best districts, it is fair to assume that they will prove remunerative, and that if reasonable terms be made the Government will before long receive a small annual amount as profit; but judging from the results in other countries, the amount to be paid out by the Government as interest on the cost of non-remunerative lines which must eventually be made, will exceed the returns from the remunerative ones. These cases however need not arise for some years.

In a general way, if it were possible, the best plan would be for China to grant concessions to companies, leaving them as much liberty of action as possible in the matter of raising and expending capital, and recognising them as owners of the lines until such time as the lines become the property of the Government by purchase or by the action of a sinking fund. In a few exceptional cases companies would be found willing to take all the risk, but as a rule a guarantee would be required. This should take the form of a guarantee of a minimum amount of interest on the cost of the line up to a certain definite amount. Thus the Company might, if it liked, raise half its capital by shares and half by debentures. The debentures, having the whole of the profits and the whole of the guarantee to rely upon, would go off easily: possibly with a 5 per cent. guarantee they would float at a premium. The shareholders having all

the proportion of surplus profit which belonged to the railway to divide among themselves, might reasonably look for a good dividend. It would be to their interest to raise the capital cheaply and keep the cost within the amount named in the guarantee, while there would be no inducement to have shoddy work. Indeed, if at the last they saw that a slight expenditure of capital above the authorised amount would probably prove remunerative, they would raise it at once.

The Chinese might object to this on the ground that the lines must be Government property, but as a matter of fact a line owned by a company with a right of pre-emption in the hands of the Government is an easier thing to deal with than a line nominally owned by the Government but in the hands of a Company as mortgagees in possession for full value. The sovereign rights of the Government should be protected in the first place by a sinking fund of say ½ per cent., which would cancel the original cost in 50 years, and by the right to buy the line. The purchase money in the event of the line being bought at an early date should be based on cost with a premium, and if bought after a certain date should be based on returns; and it must not be forgotten that if the Government wished to buy the line they could raise a loan by means of bonds secured on the line as a going concern, on much better terms than on the security of a line to be constructed, while they would save the proportion cancelled to date by the sinking fund. In this way, even after paying a premium, they would get their line cheaply.

If this plan be looked on as impossible, the next best plan is to take existing agreements as a basis and see if they can be modified. The proposed general rules are hopelessly bad, but for a long time agreements will only be made for important lines and in each case there will be special negotiations. The Tientsin-Chinkiang agreement (Blue Book China, No. 1, 1900, page 275) is a workable one, but I think might be improved in the following details :—

Clause 1.—While I do not think this cause good it is really of the essence of the scheme. Taken in connection with Clause 14 it means that the Chinese Government pay an immediate premium of 11 per cent. on the actual capital. No better terms at present can be made; therefore, if an agreement is to be made at all resembling this one, Clause 1 must stand unaltered.

Clauses 2/8.—From the point of view of a Company these clauses are satisfactory.

Clause 9.—The last sentence should be omitted; it is unnecessary and can only lead to disputes. The question should be left to be dealt with in Clause 29.

Clauses 10/20.—Can stand.

Clause 21.—In principle this is reasonable. If *likin* exists it must be paid. In detail this clause will depend upon general arrangements made regarding *likin*.

Clauses 22/23.—Can stand.

Clause 24.—This clause opens up a large question. As a clause in a preliminary agreement it may pass because if honestly acted on it is good, but it should include a reference to additional works and stock (stations, sidings, double lines, etc., may be more important than branches).

Clauses 25/26.—These seem fair.

Clause 27.—A most businesslike clause, which will avoid many disputes.

Clause 28.—If this has any meaning at all it is thoroughly bad. It appears to indicate that the Company are not to be allowed to work their line to the best advantage without special permission. This clause should be expunged.

Clause 29.—This clause as drafted is very bad. It assumes that a railway about to be made will remain the same for 50 years, as if the London and North Western system could be taken over in respect of a sinking fund which had cancelled the capital of the London and Birmingham. If it be said that the property to be taken over is not the whole system but only the original line, the thing is no better. If the line has been doubled, will the Government take over one line and leave the other in the hands of the Company?

At the end of 50 years the Government will be the owners of the original bonds. In the present case the original bonds are for £7,400,000, and if after 50 years the capital has risen to £14,800,000 the Government will be half owners and no more. The Government should have the power of purchase at this date. The additional £7,400,000 will have been raised under Clause 24 and terms of repayment no doubt settled, but generally speaking if a price is fixed for the line half will be payable by the Government to itself, *i.e.*, they will be able to buy the line for half its value. It is needless to say a loan for this purpose could be raised on very easy terms.

The clause might read. "From time to time as bonds are redeemed the Government shall be considered as having paid off their mortgage liabilities in the proportion which the redeemed bonds held to the total bonds issued, and in the event of their taking over the line under Clause 6, the proportion of the total payment applicable to the cancelled bonds shall be retained by the Government." This with an enlargement of Clause 6 is workable.

Clause 30.—This appears to me to defeat its own object by giving too small a proportion of the surplus profit to the Company.

The statement of first charges on the gross income is good enough. After paying them the most that the Government should get should be three-fourths of the surplus until they had received an amount equal to the total previously advanced by them under the guarantee of interest, the remaining fourth going to the Company, and when all advance had been repaid, half to the Company and half to the Government. Nothing less will lead to the very best management.

Clauses 31 & 33/35.—These clauses call for no remark.

Clause 32.—This is a most important clause.

No doubt for the consideration of large questions of principle some such court is necessary, but for the settlement of disputes involving matters of fact, I cannot help thinking a court presided over by, or even consisting of, an arbitrator appointed say by the Railway Department of the Board of Trade would be much better.

In any case the Company should have full power of bringing evidence and

having it heard. But most important of all is the question of enforcing decisions. I can best make my point clear by an example.

As time goes on rolling stock must be replaced, and this is a charge on receipts; but extra rolling stock must be provided to meet growing traffic, and this is a charge on capital to be provided under Clause 24.

Suppose in a certain year £150,000 has been expended on rolling stock, and it is decided by the court as constituted in Clause 32 that its cost is to be charged against revenue.

1st.—In that year there is a surplus revenue (omitting the rolling stock) of £150,000. This then should go to pay for the stock and there would be no surplus dividend. Suppose the Company say, "No, the decision is wrong; if the Government "will authorise extra capital we will raise it, otherwise we will hold back their share "of the surplus profit for two years or so, taking and dividing our own share. We "will then consider this as extra capital supplied by the Government and pay them "interest on it but no more." Is the Company to be taken into court and forced to use its surplus revenue as ordered, and so go for that year without the £75,000 which it hoped to divide among its shareholders? Probably the answer will be, "Yes."

2nd.—In the year under consideration the net revenue (apart from the rolling stock) is just sufficient to pay the 5 per cent. guaranteed. Seeing then that the stock has to be paid for out of revenue, there is a deficit of £150,000 to be made up by the Chinese. Suppose they say, "No, the decision is wrong, you may raise extra capital "which will be entitled to interest, but we will not pay up £150,000." Are they to be forced to pay? The answer probably will be, "That is impossible." If this is the case a sentence should be added:—"The Company will be bound by the decision of this tribunal, but the Chinese Government will not be bound."

A fair way out of the difficulty would be to say, the British Minister will see that effectual means are taken to enforce all decisions of this Court against the Company, and the British Government will use all the means in its power against the Chinese Government.

The Foreign Office always does its best to keep clear of such disputes. That I fear cannot be helped. It further says the Company has gone into their business as a commercial speculation (a synonym in the opinion of some people for a swindle, or at best a contemptible piece of work which no respectable man should be concerned with) and they must fight their own battles, we will not let the country be embroiled. This is at least a distinct position to take up, but Clause 32 should then read. "In case of disputes the parties must fight it out;" and if it is to be a fair fight, neither party being entitled to appeal to a law court, it really might work pretty well; but if the British Minister is to be named in the clause the only rule compatible with his dignity is that he should have the support of his Government in enforcing his decision against either party.

The only other point to which I wish to refer is the inclusion of mining rights in railway concessions. To absolutely refuse this is unbusinesslike. The Chinese to some extent admit this by saying in the mining regulations that mining companies may make mineral lines, but they add that these lines must not carry passengers, thus making the absurd rule that in a mining district you must have two lines, one carrying coal and one passengers, when one line could carry both.

On the other hand a concession of mining rights for 5 years over a strip 10 miles wide on each side of a railway is an obstacle to enterprise. In America, originally, railways were given grants of land 10 miles wide on each side of the line, but as this did not work the plan was adopted ot giving 10 miles on one side for a length of 10 miles, and then 10 miles on the other side for a length of 10 miles, the railway thus owning alternate blocks of 10 miles square. Some such arrangement might work in China, and if independent Companies opened mines on the free blocks the railway would profit by the traffic. Otherwise Railway Companies might be allowed to get mining rights over certain defined districts. In other words there should be no prohibition against joining mining and railway concessions; but the reasonableness of the Chinese contention that granting rights for a long period over a district along both sides of the railway is unsatisfactory, should be admitted. Granting rights for a short time such as six months is useless to any one.

G. JAMES MORRISON.

APPENDIX B.

Memorandum on Mining Regulations by George Jamieson, C.M.G.

The existing Mining Regulations are to be found in China Blue Book No. 1 (1900) page 25, modified by a subsequent order to be found on pages 324-6. They were criticised at the time of publication by Sir Claude MacDonald, who pointed out to the Yamen (page 27) that the Regulations as they stood would be an absolute bar to the employment of foreign capital, and as China herself was unable to supply the requisite funds, they would simply block all Railway and Mining Development in China whatsoever. The impracticable nature of the regulations has created a general impression that they must necessarily be modified sooner or later, and it is quite certain that until they are modified the mineral wealth of China will continue to lie dormant, benefiting neither Chinese nor foreigners.

In drawing up Mining Regulations the objects to be kept in view would seem to be, to offer such facilities and guarantees as will enable mining to be conducted as economically as possible, for in this way the mines will yield at once a better royalty to Government and better returns to shareholders.

The first and most serious defect in the present Regulations is the question of management. They prescribe that, while foreign capital may be employed, the conduct of mining operations must be in the hands of Chinese. In effect the permission granted is no more than this—that Chinese may form mining companies and foreigners may lend them money to do what they please with. It may be assumed that, however tempting the prospects, no foreign capital will be invested in mining on these terms.

Another defect is the stipulation that one half of the necessary capital for working any mine must be subscribed and paid by Chinese before any foreign Company can be invited to take a share. This is equally a bar to any development as there is not in China any available capital that can be spared for such purposes.

Instead, however, of wasting time in criticising the existing Regulations it may be more useful to try and offer some suggestions for the future.

General Bureau of Mines.—The establishment of a Department of the Central Government to deal with mining matters which was provided for in the present Regulations seems not only unobjectionable but desirable. It would keep a Register of all Mining Grants and so prevent confusion and conflict between the Provincial and Central Authorities. It should issue on application permits for prospecting, for which a reasonable fee might be charged, and the permits would be equivalent to a passport guaranteeing liberty to carry out the necessary examination, protection by the local authorities, etc.

Registration of Claims.—Foreign Companies desiring to work mines either in combination with Chinese or by themselves should be at liberty to register a claim to a certain area on payment of a fee. Such registration to give them the exclusive right to such claim during a certain period say three or five years, so as to give them ample time to make a more thorough examination and decide whether to work or not. The area to be sufficiently large to allow for the extreme uncertainty of mining in China, and not so large as to create a monopoly. Existing rights, however, whether native or foreign, to be in all cases respected. Companies whether foreign or mixed to be at liberty to finance and work the mines in whatsoever way they may deem best.

If the Chinese Government finds a difficulty in making mining grants direct to a foreign Company, the objection might be overcome by making the grant to a Chinese Syndicate or Company with permission to enter into contracts with a foreign Company for financing the scheme, and to mortgage or assign their rights for a term of years on such conditions as to share profits, control, etc., as may be agreed upon. Such contracts to be registered and recognised as binding. At the expiration of the term, or upon repayment of the capital, the property to revert to the control of the original concessionaires or their assigns.

Railways.—Whenever a Mining Company finds it necessary to construct a Railway for the transport of its minerals or supplies, it ought to be permitted to do so as a matter of course, and where such railway is of any length or passes through a district not already supplied by railways, it ought to be allowed to carry any local traffic that may be offering. In such classes of mines as Coal and Iron, cheap transport is essential to success, and such mines ought to have free permission to carry their produce to markets in whatever way they may find most economical.

Royalty.—The Chinese Government is entitled of course to a royalty on the output of the mines. The amount should be based on what is customary to pay to other Governments, and it should be levied on the net earnings rather than on the gross output of the mines. A levy of say 5 per cent. on the gross output of a mine, without taking into account working expenses, might make all the difference between success and failure.

The Chinese cannot expect for many years to derive any great direct profit from mines. It may be assumed that out of any ten enterprises five or six will barely pay expenses, and only one or two will be a marked success. If the mines are handicapped by a heavy royalty, enterprise will be checked and foreign capital will leave them alone.

The benefit to the Government will come indirectly from the greater demand for labour, the payment of wages, and the improved conditions of trade which are bound

to follow. Ninety per cent. of the value of all minerals extracted will, it may be assumed, remain in the country in the form of payment of wages, etc.: the remaining ten per cent being only enough to allow a modest interest on the capital employed. If the Chinese Government therefore desire to see the mineral wealth of the country developed, they ought to make the regulations as simple and easy as possible. Any other policy will only have the effect of postponing all material progress indefinitely, the dormant wealth of the country benefiting neither country nor people.

GEORGE JAMIESON.

May 11th, 1901.

APPENDIX C.

Memorandum on the Most Favoured Nation Clause in Treaties with China, by G. James Morrison.

In an article by Sir Robert Hart in the "North American Review" for January 1901, the following paragraph appears:—

"The Extraterritoriality and Most Favoured Nation Clauses will of course be "retained, whether old treaties are renewed or new ones negotiated after the present "disorder ends. But to the latter, it would be fair, and in the general interest too, to "add a rider to the effect that, whatever Power claims to participate in any advantage "newly accorded to another Power by China will on the other hand accept and be "bound by the conditions on which such advantages are granted."

A Clause to this effect exists in the treaty between the United States and Korea, and in view of the fact that on the face of it it is extremely reasonable, it may find its way into a treaty between Great Britain and China without attracting attention; particularly as it has the approval of Sir Robert Hart, who is sure to be consulted by the Chinese and whose opinion will carry great weight.

A little consideration will show that, in all the cases where its application would be fair, it is unnecessary because the present clause is sufficient. Suppose, for instance, China were to allow Great Britain to import salt on payment of a duty of fifteen taels a ton, no other nation could possibly ask to be allowed to import it free, or at a duty of 5 per cent. *ad valorem*; it would certainly be bound by the condition of paying a definite duty. Suppose, on the other hand, China were to grant France the right to export silk free of duty in consideration of her renouncing all right to run French steamers on the coast: this would in effect be giving a boon to France which would be placed out of the reach of England or Germany.

In other words, wherever the condition is closely connected with the advantage, the clause is fair but unnecessary as the old clause is sufficient; but where the condition refers to matters distinct from the advantage, the new clause would be objectionable and might be made fatal to the commercial relations of any country on which the conditions named in connection with some advantage would press so heavily that they could not be accepted.

It has been urged on the other side that the existing clause is bad because, when some nation wishes to make special terms with China, China will refuse because other nations would get the advantage for nothing. Suppose for instance England were prepared to make some concession to meet the views of the Chinese in the matter of the importation of opium, in return for some advantages connected with inland navigation; China might reply:—"I would be willing to do this but it will mean giving the same advantage to other nations for nothing"; but as a matter of fact this argument rests on nothing, as the new Clause would not improve matters in the least. It might perhaps be fair to say that, where an advantage is granted to one nation in return for some valuable concession on its part, the same advantage should only be granted to other nations in return for equally valuable concession on their part; but such a system is manifestly unworkable.

The only course, then, which can prove fair and satisfactory is to retain the Most Favoured Nation Clause in its original form.

G. JAMES MORRISON.

APPENDIX D.

Note on Tariff Revision.

The justice of China's claims for revision, in her favour, of the Customs Tariff of 1858 has been admitted by practically all sections of the commercial community. The admission however, is made on the condition that, in return for an increased impost on foreign trade, guarantees shall be taken from China for the honest fulfilment of her treaty obligations: that is to say, in the words of Article XXVIII of the Treaty of Tientsin, that after the payment of the specified duties the goods shall be exempt "from all further inland charges whatsoever." If it is found that the goods are not so exempted, then provision should be made for a return to the *status quo ante*.

The following may be found of some interest as exemplifying the increase in Customs Revenue which may be expected to accrue from a re-adjustment of the tariff to the 5 per cent. basis of the Tientsin Treaty.

I. Imports.

Net value of Foreign Imports (exclusive of opium) in 1899 ...	Tls.	228,955,688
Duty collected	„	6,656,623
Presuming a 5 per cent. basis, the Duty would have amounted to	„	11,447,784
or an increase of	„	4,791,161

And, presuming a further 2½ per cent. payment, to be earmarked for provincial purposes, in commutation of "all further inland charges whatsoever," there would be provided a revenue of Tls. 5,723,892, which sum, it is interesting to note, amounts to not far short of half of the total *returned* likin collection as estimated by Mr. Jamieson in his report upon China's revenue.

II. Exports.

The declared value of Exports in 1899 was Tls. 195,784,832, upon which the duty collected amounted to Tls.6,162,386, or about 3.15 per cent., and a re-adjustment of the Tariff to a 5 per cent. basis would give an apparent revenue increase of about Tls.3,625,000. The whole question, however, of duties on exports presents such an entanglement of inland and port collections that, though the Imperial Customs Returns show a less collection than may have been the treaty intention, yet the total imposts amount to an aggregate duty which, in several instances, is absolutely crushing. For instance on Tea, the report prepared by the Special Committee which sat in Shanghai in 1896 showed that the Inland Taxes and Export Duty amounted to:—

24½ per cent. on Teas from the Yangtze districts.
32 per cent. „ „ Foochow „
34 per cent. „ „ Amoy „

Under such circumstances of taxation it is not to be wondered at that the export of China Teas to Great Britain fell from 139,000,000 lbs. in 1871 to little over 18,000,000 lbs. in 1900. Similarly in the case of Silk, the report of the Special Committee showed that, though by Treaty the total duties should not exceed Tls. 15 per picul, yet the actual collection amounted to over Tls. 49 per picul, and that, as a natural consequence, the share of China in the Far Eastern Silk Export trade had fallen from 52 per cent. in 1877-78 to less than 21 per cent. in 1895-96.

APPENDIX E.

Note on the Share of the Gulf of Pechili Ports (*i.e.* Chefoo, Tienstin and Newchwang, in China's Foreign Trade).

The object of this note is to disabuse the apparently generally accepted home view that the trade returns of Shanghai, superficially taken from the Customs Reports, represent foreign trading interests in the Yangtze Valley region. The figures given are from the Customs Returns for 1899.

Distribution of Foreign Imports in China in 1899:—

Yangtze Ports	40 per cent.
Gulf of Pechili Ports	28 per cent.
Mid China Ports (say Hangchow to Foochow) ...	7 per cent.
Southern Ports	25 per cent.

Origin of Foreign Exports from China in 1899.

Yangtze Ports and Gulf of Pechili Ports ...	61 per cent.
Mid China Ports	4 per cent.
Southern Ports	35 per cent.

(The exports from the Gulf of Pechili Ports come so largely to Shanghai to be dealt with there, that it is impossible to divide the two. It is probable that the share is about equally divided, and that therefore the foreign exports from the Gulf Ports represent nearly one-third of China's total foreign export trade).

APPENDIX F.

Lekin in Szechuan.

The following is an extract from a letter addressed to the Committee by Mr. Archibald Little, for many years a merchant in Szechuan, in which an account is given of the baneful effects of the likin system upon trade in that province. Mr. Little writes:—

"In the hope that our Association will leave no stone unturned to get this likin tax abolished, I venture to lay before you some instances of its working in Szechuan (the only district with which I have practical acquaintance) which will show those Ministers who only know it by repute, how utterly fatal the tax is to all progress.

While in Chungking I established a wool agency in the two principal Tibetan border marts of Tachienlu and Sungpan; this was in 1885. Between each of these places and Chungking there were at that time some half dozen likin stations, but as the total payments amounted only to two or three per cent. they were not obstructive. In 1886 missionary riots took place, and the same again a few years later. As a result heavy indemnities had to be paid by the Viceroy, and likin on all articles of foreign export and on imports of Yarn and Piece goods was doubled. In 1893 I took out transit passes, but so many quibbles were raised and such loss by detention occurred that, notwithstanding the willing efforts of successive Consuls to get them respected, I was compelled to abandon their use and resort to likin as necessitating fewer detentions. I wish particularly to point out that *these detentions sometimes quadruple the actual likin tax by the opportunities they afford to muleteers and boatmen to rob* the cargo of their employers. Upon making a personal tour to Sungpan in 1897, to look into the matter, I found regularly sheds attached to the likin stations for the supply of hot water to make up the weight of the wool extracted. At Mienchow I proved that the likin people were connected with this systematic robbery, and wrote to the Magistrate about it with no result until our energetic Consul, Mr. Litton, took the matter in hand, when we obtained the abolition of the Mienchow blackmail only to have it replaced by another new station fifty miles higher up the mountains.

The Chinese authorities were so worried by the remonstrances, and with the fact of my having an Agent of my own at Sungpan that they, *i.e.* the Erfu, determined to take drastic measures to stop the nuisance of foreign interference and suddenly put on, in the winter of 1897-98, a local tax of fifteen per cent. collected from the Tibetan sellers, who were compelled to pass all the wool through a new office established for the purpose (Shangwuchu) under the guise, as stated in the proclamation announcing its establishment, of protecting the simple Tibetans from the rapacity of the foreigners who were now invading their country. The result of this has been that I have been finally worried out of the place (in Tachienlu the same), and recalled all my agents last winter.

I mention all these details to show how utterly impossible it will be, even with the best goodwill, for foreigners, whether in the employ of the I.M. Customs or others, to control the working of likin in distant places. It would require a foreigner, and a well-paid one to secure his honesty, to be stationed at each one of the 1,300 and odd magistracies throughout the Empire, to secure the weak Chinese trader from extortion by small officials as long as the word "Likin" is permitted to remain in

existence. Let the Customs collect it in conjunction with the Export duty as proposed, and the trader will be found to be paying it over again in some shape to the local officials or their appointees !

Upon one occasion, coming down river with a boatload of Wool from Taihochen on Kialing River to Chungking, a distance of about 150 miles, I spent seven days on the voyage, of which four and a half were spent while moored at likin stations awaiting the pleasure of the examining underlings who in no case would stir without special bribes ; and the delays were mainly due to the time occupied in discussion as to how much should be given as cumshaws over and above the legal (?) likin, in order to expedite our movements.

Besides likin, all the Szechuan towns suffer from lotishui or octroi ; every carrying coolie—and the bulk of Szechuan trade goes over land roads—has his little pack examined and has to pay a few *cash*, perhaps a dozen times in the day : many of these stations encash only sufficient funds to feed and pay the staff which subsists upon them, and whose subsistence is indeed the chief object of their existence.

Shanghai Committee to General Committee.

Shanghai, 21st June, 1901.

Dear Sir,

* * * * * *

I am able this week to send you a copy of a Memorandum which has been prepared by Mr. George Jamieson, the title of which speaks for itself. In boldly tackling the question of total abolition of likin, Mr. Jamieson has made a contribution to the work of the Association of the greatest value. His scheme is of course open to criticism and objection ; but in face of such complicated conditions, what scheme could be evolved which would represent a policy of perfection ? It will be said that it assumes too much ; it assumes an honesty of purpose on the part of the Chinese officials which is, for the most part, non-existent ; it assumes that Chinese official dishonesty will accept the abolition of a corrupt likin collection which, though officially returned as Tls. 14,000,000 must in actual collection exceed three times that amount ; it will be objected to on the score of the retention and increase in Coast Trade duties which many object to as an anomaly in inter-port trading ; and it will further be objected to in that it retains a system of Customs barriers, even though such system be limited to inter-provincial communication. These objections, however, though they may be theoretically sound, cannot in my opinion be practically urged in face of China's ancient customs of inter-provincial relations. On the other hand, the scheme must be commended in that, besides sweeping away the innumerable likin barriers which are the curse of trade, it brings trade revenue collection largely into the hands of China's one source of honest collection, namely the I.M. Customs ; it widens the door for the discovery of abuses which are at present lost to remedy in the obscurity of Chinese corruption ; it opens the way for free transit and for the effective utilisation of the at present dead concession of Inland Water Navigation. For such advantages we may risk much. The continuance of an attitude of *non possumus* towards all schemes, though it may be the natural outcome of past failure, leads

nowhere; and in my opinion Mr. Jamieson's scheme warrants us in risking, for the advantages it offers, the certainty of Chinese falsity which will be applied to any scheme.

The scheme came before the Committee at a meeting held yesterday, when Mr. J. W. Jamieson (Commercial Attaché) was present; and it was, in its general lines, approved. We desire, however, to discuss it in full with its author, who is at present absent from Shanghai.

* * * * *

I am, &c.,

(Signed) C. J. DUDGEON, Chairman.

R. S. Gundry, Esq.,
159, Cannon Street, E.C.

Enclosure.

MEMORANDUM ON THE QUESTION OF TARIFF REVISION IN CHINA WITH A VIEW TO THE POSSIBLE ABOLITION OF LIKIN.

In considering the various ways by which increased revenue may be obtained, it is assumed that the bulk of it must be raised by indirect taxation. Such sources of revenue as an Income Tax or Stamp Duties with which we are familiar in Europe may be dismissed as impracticable in China, and anything in the nature of a House Tax or Poll Tax, both of which have been suggested, would be so unpopular that the attempt to enforce it would create widespread riots and might lead to general insurrection. The Land Tax properly handled would of course yield a much larger sum than it does, but that is not a question with which the Foreign Powers can deal.

Assuming that indirect taxation—that is taxes levied on commodities, of which likin is one form, must not only be maintained but increased, the problem is to suggest a scheme by which the latter result can be attained while at the same time likin, the most objectionable form of all, can be entirely done away with. It is with this object that the following is submitted.

It is generally admitted that China is fairly entitled to ask for a revision and increase in the Treaty tariff, and there would probably be no great objection on the part of the mercantile communities to accept an increase of tariff up to 10 or even 12½ per cent, provided that they were perfectly assured this would indeed be the absolute limit of taxation on foreign goods throughout the Empire. But after the experience they have had from the time of Lord Elgin downwards they may well be excused if they decline to trust more promises. Nothing apparently could have been more satisfactory than the statement of Lord Elgin when reporting to the Foreign Office the arrangement which he supposed he had made by the Treaty of 1858. "Henceforth," he says, "on payment of a sum in name of transit duty which for simplicity's sake has

been fixed at half the tariff duty, goods will be free to pass between the port of shipment or entry to or from any part of China without further charge of toll, octroi or tax of any description whatsoever." How far this expectation was realised let history relate. Viewed in the light of what has happened, it is submitted that the only satisfactory solution now is to abolish all likin, not merely on foreign goods but on all native goods as well; for, so long as likin barriers are maintained for any purpose, so long will there be an opportunity and the temptation to levy irregular squeezes. Wherever there is a barrier all goods, whether taxable or not and whether protected by pass or not, must stop and submit to examination. The official in charge cannot be denied the right to satisfy himself whether the cargo is in truth entitled to the exemption claimed. For this purpose the boat must stop and may even be required to unload and have every package opened for examination. Here there is every opportunity for a squeeze. The officials need only say they are too busy, or that the merchant has been accused of smuggling elsewhere: anything suffices for delaying until the merchant, taught by experience, is ready to pay down the bribe at once. The abolition of the whole machinery of likin taxation is therefore the only remedy, and as that means the loss of the whole of the likin revenue, it must be shown in what way it can be made up to the Government. The exact amount of likin revenue is still more or less in dispute, but an average of various estimates gives about 14 million Taels. I do not think the Chinese Government itself would put it higher.

The only radical change I propose is to put the whole of the Coast Trade, treaty port or not, under the control of the Maritime Customs, and have a uniform tariff on all cargo passing by water from one province to another. For this purpose I should consider the Yangtze as far up as Chungking as part of the Coast, but all the rest of the Rivers and Canals to be deemed inland and absolutely free. A tax on goods passing between one part of the kingdom and another is in itself a sort of anomaly; but the provinces in China are more like kingdoms, and the diversity of products say in Kwangtung and Chihli is such that an interchange must take place, and if revenue must be raised the products passing in transit are not unfit subjects of taxation. In point of fact it comes to this, that the Kwangtung provinces are taxed for what they consume of northern produce, and the northern provinces are taxed for what they consume of Kwangtung produce. The one balances the other in the long run, and taxation is fair enough. At all events such taxation now exists and probably has always existed from the earliest days. When carried in foreign bottoms such cargo pays nominally 7½ yer cent, *i.e.* 5 per cent on export, and 2½ per cent called in the Customs returns Coast Trade Duty, on import. Junk-borne cargo pays at the native Custom Houses on a scale which is not uniform and which seems to vary at the will of the individual superintendent: (Canton for example.) I should propose to make this tariff uniform and equivalent to whatever may be fixed for the foreign tariff, say 10%, to be levied either half on exports and the other half on imports, or preferably the whole on imports and nothing on exports. For revenue purposes it does not much matter, because the exports from one port are the imports into another, and the two must necessarily balance, excluding of course what may be re-exported to foreign countries.

It may be said that an inter-provincial tariff of 10% on goods carried by water requires a corresponding frontier tariff by land, or else it will drive all the trade

inland, and so the impost will defeat its own ends. To this I reply that, admitting the argument, it applies to only very few areas. Chekiang and Kiangsu are in point of fact almost the only two provinces where inland inter-communication would at all compete with sea-borne traffic. In every other case either the traffic goes by the Yangtze, in which case it comes under the cognizance of the Customs, or it would have to travel by a long land route where the cost of transport would be very much more than the duty. The division I would suggest, however, is more geographical than provincial, though the term provincial roughly describes it. The country roughly divides itself into certain basins of commerce, within each of which traffic is easy, but between any two of which traffic is difficult or impossible except by Coast or River routes. Thus Chekiang and Kiangnan form one basin, Kiangsi and the Poyang Lake another, the Tungting Lake with Hunan and Hupeh another, Szechuen another, Kwangtung another, and so on. A certain amount of traffic might no doubt pass at certain places, as for instance from the Poyang Lake basin into Kwangtung through the Meiling Pass, which was an old trade route in the early Canton days, and there is a similar route from Hunan into Kwangsi. It might be desirable to maintain a Custom House at such crossings, levying duties on goods passing equivalent to the Coast duties, but experience only could tell whether it would be worth while. On the North of the Yangtze the areas are not so well defined, but as a matter of fact little or no likin is levied in any of the northern provinces; it is quite unknown, I believe, in Honan, Shansi and Chihli, and yet none of the Yangtze products destined for, say, Chihli is tempted by its absence to forsake the sea route. The long land journey is quite prohibitive. On the Eastern side, where the Grand Canal is still available for a considerable distance, it would probably be necessary to draw an artificial line between the Shantung and Kiangsu basins, and have a Custom House on the Canal somewhere near the border.

The plan here suggested of constituting basins of commerce has the further advantage that it would fit in very well with future railway developments. The present system of likin must indeed be modified in some way if there is to be any freedom of traffic on the railways. A likin officer at every railway station squabbling over every package that went out or in, which the present system really demands, would be intolerable. But the proposed system would be quite simple and easily worked. So long as the railway ran within the basin, say Shanghai to Soochow, or Shanghai to Hangchow, there would be no duty. When a railway ran from one basin to another, say from Hankow to Peking, or Canton to Hankow, there would be a duty of 10% on all goods booked beyond the line of demarcation (or within a certain distance of it to prevent smuggling), which could be levied along with the freight and accounted for by the railway Company. Traffic from, say, Hankow to Peking, Paotingfu, or Tientsin would have its choice of land or sea route, but the duty would be the same in either case.

If some such scheme were accepted by the Chinese Government it would remove, I believe, nearly all the grievances of which foreign merchants have so long complained. There is at least one treaty port in every proposed basin of commerce, and it would rarely occur that foreign goods would require to pass from one basin to another. Some foreign goods do go, I believe, from Chinkiang to Shantung in preference to being landed at Chefoo, and that is perhaps the only case where they

would have to pass an inland barrier. But if the few inland barriers I have suggested are to be retained, they would be part of the Coast Trade duty scheme and subject to the supervision of the Maritime Customs. This would obviate risk of abuses. The goods themselves would of course be free and could be certificated as such. Another important point is that the scheme would settle the inland navigation question: no rules or regulations would be required, as trade would be entirely free. Everything, native and foreign alike, is presumed to have paid its full dues at the port and no more questions can be asked.

On these conditions a liberal increase in the tariff might well be agreed to by foreign merchants. Ten per cent is usually mentioned, but it might be fixed for the time at least at 12½: the extra 2½ to be paid to the Provinces on the express understanding by each of them that no levy hereafter shall be made on goods as such, whether native or foreign, under any designation whatsoever. For extra security it might further be stipulated that if this pledge is not kept the old 5% tariff will be reverted to.

As regards exports to foreign countries the Chinese Government would be well advised if it boldly abolished duties on these altogether. Increased exports necessarily mean increased imports, and the increased revenue from the latter would very soon make up for the loss of export revenue, not to mention the stimulus to industry which would follow. If for every ten million taels of increased exports there came back five millions of imports, the loss of duty would be more than made up and the country would be the richer by five millions. Moreover, the large sum which China has now to pay to Europe *must* be met by a surplus of exports, or else the country will dwindle into bankruptcy. Every effort ought therefore to be made to remove the shackles from the industrial activities of the country, and chief of these is an export duty which handicaps the Chinese producer on the world's market in competition with other nations. But it may be the Chinese Government will fail to appreciate these arguments and will decline to give up the export duties which, as they stand, bring in a considerable sum. In the calculations which follow I have accordingly retained them at 4 per cent, which is rather over the present actual tariff. Even so, if the abolition of likin is effected, there will be a considerable relief to the exporter on many articles, notably tea and silk. Tea it is estimated pays, including all inland charges, from 20 to 50 per cent *ad valorem*; the tariff duty alone on tea is Tls. 2.50 per picul, equivalent all over to fully 10%; it should of course be brought down so as to be in line with other articles. Silk, though it pays less than 4% at the Custom House, is heavily taxed in the cocoon stage by a growers' tax (Lo ti shui) which has to be paid even when the silk is bought for export and brought to the Coast under transit pass. The exact amount of present taxation on exported silk may be put at over 8%.

On the foregoing basis the Customs revenue would work out as in the following table. I take the year 1898 for purposes of comparison: it was a fair average year and gives a safer basis than either 1899, which was a record year, or than 1900 which was disturbed by the Boxer troubles. It will be observed that I have left opium taxation, both native and foreign, as it stands; it is pre-eminently a subject to be dealt with *per se*, and any change in the taxation of this article should be treated separately.

COMPARATIVE TABLE SHOWING ACTUAL REVENUE IN 1898 AND THE SUMS WHICH THE SAME TRADE WOULD HAVE YIELDED ON THE PROPOSALS IN THIS MEMORANDUM.

	OOO's omitted.	On present tariff.	Revised tariff 12½%.
FOREIGN TRADE.			
Imports (less opium)	Tls. 180,323	5,730	22,540
Exports	„ 159,037	5,405	6,361
Foreign opium, duty and likin		5,477	5,477
COAST TRADE.			
Imports (exclusive of opium)	Tls. 98,666	1,184	12,333
Exports do. do.	„	2,901	—
Native opium passing Custom House, @ Tls. 60	Pcls. 8,262	477	495
Transit Dues		717	—
Tonnage Dues		612	612
Likin, estimated		14,000	—
Native Customs, estimated		2,500	6,000
	Taels	39,003	53,818

If these figures are any way near the mark, not merely would there be enough to make up for the loss of likin, but the Government would be a clear gainer to the extent of over thirteen million taels. And even if they surrendered the whole of the Export duties they would still be to the good by some seven millions, with the certainty of a large and rapid increase. It is not within the scope of this paper to discuss the relations between the Central and Provincial Governments, but as the latter must be recouped in some way for the loss of likin, it might be stipulated that the 2½% on Foreign imports, yielding Tls. 4,508,000, and one-half of the native duties (including present non-treaty port trade) say Tls. 9,166,000, or about fourteen millions altogether, should be paid over to those Provincial Treasuries which can show they have lost by the change. Thus they would be immediately recouped all they had lost, and would further gain by a growing trade which it would therefore be to their interest to foster. Deducting the sum thus paid as indemnification to the provinces, there is available for the service of the foreign loans the sum of close on Forty Million Taels.

I would very strongly urge the abolition of all export duties whether on coast or foreign trade, simply levying the tariff duty on all cargoes arriving from whatever port. It would reduce the work of the Customs Department very materially, and it would obviate any questions arising on native trade passing through Hongkong. If Canton produce, for example, were transhipped at Hongkong *en route* for Shanghai or Tientsin, having paid its export duty at Canton, it might be disputed whether it was entitled on arrival to the benefit of the Coast Trade duty or whether it must pay as foreign cargo, more especially if it were re-packed or re-marked in Hongkong. Whereas, if both foreign and native imports pay at the same rate it is perfectly immaterial to the shipper in which class it is put.

In regard to native cargo I have assumed an all round duty of 10 or 12½%, whatever may be fixed; but in converting the *ad valorem* rate into specific duties, which of

course has to be done, some distinction would properly be made. Certain articles such as rice and cotton, being working men's necessities, ought to pass at say half rates, while a certain number of others in the nature of luxuries, *e.g.*, tobacco, samshu, silk and silk piece goods, ground nuts, tea, sugar, etc., might be surtaxed in such a way as to strike an average. A similar discrimination might be made in the foreign tariff: as far as possible the two should be identical.

I have said nothing so far on the large question of opium (native), and it may be objected that if likin barriers are abolished this article, being light and easily transported, will everywhere pass by land and so escape taxation altogether. My answer to that is, that the only and proper way to deal with this article is to tax it on the field at the time of growth: it is now as a matter of fact universally smuggled in spite of the multiplication of barriers. The total production of native opium is probably between 300,000 and 400,000 piculs per annum which, at taels 60 per picul, the rate levied by the Customs, should yield from 18 to 24 million taels. As a matter of fact the returns from the provinces show a revenue of only two millions odd, and the sum collected by the Maritime Customs in 1898 was only Tls. 477,000. No doubt the native returns do not show the whole collection, but that the drug is universally smuggled is a matter of notoriety, and it will continue to be smuggled until the Government take steps to bring it to taxation at the only point where it can be effectually checked, namely where the poppy is still in the field: there the matter is perfectly easy, for the growth of a field of poppies is not a matter that can be concealed, and all they have to do is to levy a special tax on the cultivator, based on the extent and quality of the land used for this purpose. The machinery for levying the land tax already exists, and the same machinery could be used for levying this special tax in respect to land so used. Probably it may be said the Government would be defrauded all the same; but the object of these remarks is not to show how Chinese officials can be made honest, but merely that the retention of likin barriers is not necessary merely to enable the Government to collect the opium duty.

Salt is another article in respect of which it may be urged that it is necessary for the Government to retain the likin barriers. It is true no doubt that a large proportion of the salt revenue is collected under the name of likin; but, so far as my information goes, it is collected by the officials of the salt department, and not as a rule entrusted to the ordinary barrier officials. Moreover, it is levied, at least in the case of Hwai salt, not *en route* as in the case of goods, but at the terminus of the journey, when it passes from the hands of the licensed salt merchants into those of the retail dealers or distributors. Probably therefore the existing salt system would be undisturbed by the abolition of the trade barriers: the salt system, at any rate, was in vogue long before the modern likin, as we know it, was invented, and it may be presumed it would survive its fall.

I have, however, dealt with the salt question in a separate memorandum, which for the sake of completeness I attach hereto. Using the analogy of the Indian salt system, which is very appropriate, I have suggested changes which would create free trade in salt throughout the Empire and very greatly benefit the revenue.

G. JAMIESON.

Shanghai,
7th June, 1901.

[It will be understood that Mr. Jamieson's very valuable Memorandum is still under consideration, and subject of discussion. The risk incurred in its adoption is no doubt great, for of course unless the Chinese apply to it honesty of purpose, they can drive coaches through it by the very simple expedient of terminal taxation. We have had very little experience of such honesty of purpose in the past, and should have to take safeguards against abuses by stipulating for a return to the existing tariff if such are discovered. Still, we have some encouragement in the smooth working of the Opium arrangement.

Mr. Jamieson's figures have been criticised on the ground that, in estimating values, he takes selling costs instead of c. f. and i. costs. That is to say, he estimates duty on cost plus duty and charges, which is incorrect. In the following amended calculation, which has been communicated by the Shanghai Committee, his estimated surplus of 13 millions is reduced to 7.7 millions—a still appreciable gain.

1898.	*OOO's omitted.*		*Revenue anticipated.*
	Tls.	Tls.	Tls.
Total net foreign imports	209,580		
less opium: value	29,250		
less rice: „ ... ... (av. 6 years)	12,340	167,990	
deduct import duty	5,730		
deduct 4 per cent. charges	6,720	12,450	
Net value chargeable with 12½ per cent. duty ...		155,540	19,440
Foreign opium duty and likin		—	5,475
4 per cent. duty on exports to foreign countries ...		149,000	5,960
Native imports: *i.e.*, native exports from one port imported at the other	76,200		
less opium: value	2,900		
	73,300		
deduct 5 per cent. export duty at port of shipment	3,665		
deduct 4 per cent. charges	2,785		
Net value chargeable with 12½ per cent. duty ...		66,850	8,360
Native opium under cognizance of the I.M.C. Pls. 8,280 at Tls. 60		—	497
Native Customs estimated income		—	7,000
			Tls. 46,732
Mr. Jamieson's Estimate of present Revenue ...			„ 39,000
	Excess		Tls. 7,730

The remark has been made, too, that it is premature to suggest, even, a potential increase of import duty to 12½, for the reason that, once increased, it would certainly never be reduced; and that it will be time enough to discuss such a figure when we see how the scheme works. Rejoinder may of course be made that it is an essential feature of the scheme. It cannot be too clearly noted, in any case, that an assured method of satisfying the Provincial Exchequers is an essential condition of success.]

R. S. G.

Indian Regulations for levying Duty on Salt.

In India at the present day salt is obtained from three sources:—

1.—Evaporation of sea water on the coast.

2.—Boiling or evaporation of brine wells or saline deposits in the interior.

3.—Importation of foreign salt by sea.

Formerly the system of levying duty was not unlike what prevails in China: that is there was a small duty at the place of production, and a transit duty on transportation into the interior which varied according to distance. The rate of duty varied in different provinces, and there was much smuggling going on which made it necessary to employ an immense number of watchers and police, which involved the Government in heavy expense and led to great abuses. After trying various plans the whole of the salt system has been made uniform throughout India, and the administration has been taken out of the hands of the Provincial Officials and is now controlled directly by the Central Government. The old divisions into districts have long been abolished; and salt, when once it has paid duty, may be carried by private merchants to any part of the country and sold at any price they can get.

The duty is in all cases collected on the spot where the salt is made. Any one wishing to engage in the manufacture of salt must obtain a license from the proper official and state where he proposes to put his salt pan; certain areas are selected for this purpose, large enough to admit an abundance of salt to be made, and not too wide or too scattered to make it impossible to watch them. Illicit manufacture of salt is severely prohibited; the salt makers may make salt in any way they please, but all salt made must be stored in appropriate godowns or enclosures, and none be allowed to leave until duty has been paid. When once duty has been paid it is absolutely free from all further taxation.

In some places it is found advisable for the Government to establish salt works of their own; in these cases they pay all the working expenses, such as wages, fuel, buildings, etc., and whatever the salt is sold for over and above the cost of working may be regarded as duty. In cases when the licensed manufacturers try to combine so as to raise the price of salt for the detriment of the people, the officials then issue salt at a lower figure and so equalise the price.

The wholesale price in Madras, where both the license system and the Government system prevail, has been for the last five years about 172 *cash* per picul, exclusive of duty; when the price tends to rise Government sell salt at 150 *cash* per picul. The duty now stands at Rupees 2½ per 82 2/7th lbs., equal to Taels 1.60 per picul; the same duty is levied in all the other provinces and also as a maritime duty.

In Burmah a different system prevails: licenses are necessary for the manufacture of salt, which is carried on at many widely scattered points along the coast by the boiling of sea water or saline earth in iron boilers. Instead of taxing the salt after it is made, a composition tax is levied per annum on each boiler according to its capacity, and there is no further levy on salt in circulation; the composition duty on the boiler is supposed to be equivalent to the duty on imported salt, which at present is one rupee per maund = Taels ·72 per picul.

The tables annexed hereto show the actual cost of production of native salt in the various provinces, and the laying down price of foreign salt (mostly English) in Calcutta. It will be seen that foreign salt is the dearest but, notwithstanding, it is almost exclusively used in Bengal. The import of foreign salt into Calcutta in 1899 was close on six million piculs, which yielded a revenue of over 11 million taels.

The population of India may be taken as 240 millions, and they consume in one year about 21 million piculs, which is on an average of nine catties per head of the population. The population of China may be taken at 350 millions, and if they consume salt at the same rate as the Indian population China would use in one year over 32 million piculs; and if the same tax were levied as in India, *i.e.* @ Taels 1.80 per picul, the tax would yield a gross revenue of 57 million Taels.

The population of China is probably on the whole equally as affluent as that of India, and there is no reason to suppose that they would not use as much salt if the price were the same; but suppose that they consume only at the rate of six catties per head per annum, that would mean a consumption of over 21 million piculs, yielding a gross revenue of Taels 38,000,000. It has been calculated by Chinese and foreign officials that the actual consumption of salt is somewhere in the neighbourhood of 20 million piculs, so that a gross revenue of Taels 38,000,000 is not by any means improbable if the revenue could be collected without leakage. The existing taxes on an average, including likin, probably come to Taels 1.20 @ Taels 1.50 per picul, and raising them to Taels 1.80, or even Taels 2. would not be imposing any serious burden on the people; it would only mean about 36 *cash* extra per annum for a family of six persons.

The costs of collection would, of course, have to be allowed, for these would necessarily be somewhat heavy, especially in changing from the old to the new system. Probably 13% would have to be allowed at first, but when once the system was working 10% would be sufficient. If foreign salt were allowed to be imported, the duties on that part of it would be collected by the Maritime Customs at a nominal cost. The price of foreign salt (mostly English) laid down in Calcutta is Taels ·479 per picul, and it could be laid down in Shanghai at a trifling addition, say at a cost of Taels ·50 or 500 *cash* per picul. Native salt can be produced at a cost of 300 *cash* or less, so that there would be no danger in China any more than in India of the native salt industry being destroyed. The people would be free to buy whichever kind of salt they pleased.

Present Duty and Cost Price of Government Salt in the several Provinces.

	Cost. Taels.	Duty. Taels.	Total. Taels.
Bombay (evaporation) ... ... per picul	·048	1.80	1·848
Madras do. ... ... ,,	·098	1.80	1·898
Northern India (salt mines) ... ,,	·021	1.80	1·821
Sind (brine salt) ... ... ,,	·266	1.80	2·066
Bengal (foreign salt ... ... ,,	·479	1.80	2·279

Quantity of Salt passing into consumption in the several Provinces, in respect of which Duty was paid in 1899.

	Local-Manfd. Piculs.	Imported. Piculs.	Total. Piculs.	Duty. Haikwan Taels.
Bombay	5,223,000	165,000	5,388,000	9,710,000
Madras Government	1,531,000	128,000	4,559,000	8,213,000
,, Merchants...	2,900,000			
Northern India ..	4,705,000	...	4,705,000	8,197,000
Sind	165,000	3,700	168,700	31,000
Bengal	261,000	5,968,000	6,229,000	11,227,000
Burmah	...	..	755,000	640,000
			H. Taels	38,018,000

GEORGE JAMIESON.

Shanghai, 7th June, 1901.

APPENDIX D

THE PROJECT FOR TEACHING CHINESE.

University of London to China Association.

University of London,
South Kensington, S.W.,
April 23rd, 1901.

DEAR SIR,

I am requested to inform you that at a Meeting of the Senate of this University on April 17th the following resolution was unanimously passed :—

"That a reply be sent to the China Association thanking the Association for their generous offer to found a Professorship of Chinese, and informing them that the matter had been referred to the Academic Council for consideration and report."

I trust that this will prove satisfactory to the Association, and that the further progress of the matter will be favourable and expeditious.

I am, &c.,
(Signed) HENRY E. ROSCOE.

R. S. Gundry, Esq.,
China Association.

University of London to China Association.

South Kensington, S.W.,
April 30th, 1901.

DEAR SIR,

I am requested by the Academic Council to communicate to you, as Secretary of the China Association, the following resolution which was passed at their Meeting yesterday :—

"That the Vice-Chancellor be requested to write to Mr. Gundry asking him to state definitely for the information of this Council the exact proposal and offer made by the China Association to the University."

The Council felt that, although a verbal statement had been made to myself and others, no written statement which could be considered official was before the Council.

I trust that this request will not cause your Association inconvenience.

I am, &c.,

R. S. Gundry, Esq. (Signed) HENRY E. ROSCOE.

China Association to University of London.

China Association Rooms,
159, Cannon Street, 7th May, 1901.

Sir,

On the 28th November, 1899, I had the honour to address a letter to the Commissioners of the London University, submitting details of a scheme for the Practical Teaching of the Chinese language in London, which it was hoped would be found worthy by the University Authorities of a place in their plan of re-organisation.

In acknowledging receipt of this letter Mr. T. Bailey Saunders, Secretary to the Commission, wrote:—"It will afford me much pleasure to submit this letter and Memorandum to my Commissioners who will, I am sure, give the matter in question, as well as your request that they may recommend the proposed scheme to the notice of the future Senate, their best consideration."

Your letter of the 30th ultimo, asking Mr. Gundry to "state definitely for the information of the Academic Council the exact proposal and offer made by the China Association to the University" causes me therefore a little embarrassment, as I am at a loss to define more explicitly the terms of our proposition, and should fear that the patience of the Council might be strained by an attempt to convey within the compass of a letter a full explanation of the motives which have led the China Association to undertake the equipment of a Chinese Chair.

Sir Henry E. Roscoe, &c., &c.,
Vice-Chancellor of the University of London.

The object may, perhaps, be conveniently met by a brief recapitulation of the facts, and by inviting the attention of the Council, further, to Memoranda by Mr. Gundry, the Hon. Secretary of the China Association, and Mr. Brown, the Superintendent of the Teaching Scheme which will be found embedded in the enclosed historical *resumé* extracted from the China Association's Annual Report,* and which, together, explain fully and clearly the objects and purposes that the promoters had in view.

The project is, briefly, to establish, in connection with the University of London, a Chair of Chinese equipped—like the Chairs of Chinese at Paris, Berlin, and St. Petersburg—with native Instructors under the superintendence of a competent (English) Chinese Scholar as Professor. The objects in view are two-fold. First, the practical teaching of the Chinese language to youths who contemplate a career in China. Secondly (as explained more particularly in Mr. Brown's Memorandum) to afford the sinologue pure and simple efficient assistance, in work or research, such as he cannot at present obtain nearer than Paris, Berlin or St. Petersburg.

The distinguishing feature of the scheme is the Native Instructor. "Everyone at all acquainted with the subject is (as Mr. Brown points out) aware that a proper knowledge of Chinese can only be acquired from a native scholar. The Russians recognised this, years ago, when they established their Chinese Chair at St. Petersburg and attached to it Chinese Teachers. Russian students, fresh from the course there, have ever since continued to arrive in China fitted to speak with the people and to hold their own. Paris followed suit. Then Germany, with its Chinese Chair under Professor Arendt at Berlin, adopted a similar system and, according to recent statistics, has 27 students of Chinese under instruction. These Chairs are liberally endowed by the respective Governments. In Berlin the Chinese Teachers' pay is sufficient to command good men." In England alone among the four European nations chiefly concerned with China has this equipment been lacking, and that equipment we now offer to supply. Subscriptions sufficient to cover the estimated cost for five years have been guaranteed by Merchants and Bankers interested, and permanent endowments of £1,750 and £600 (say, £65 a year), have been already promised respectively by Mr. H. Harrison of Blackburn, and Mr. Gundry. No efforts will be spared to procure further endowments if the measure of recognition sought from the University is accorded, and it may be confidently expected that, seeing the great

---

* *V.* Annual Report for 1900-1, Appendix F, p.p. 69-76.

interests which the British Empire possesses in China, sufficient support will be obtained to guarantee the permanency of the Chair.

The gentleman who has been selected by the Committee to superintend the scheme is Mr. George Brown, lately Member of H.M. Consular Service in China, but now resident in England. Mr. Brown is a thoroughly competent Chinese scholar; and the Committee have the utmost confidence that, with the aid of his Chinese Assistants, he will be able to offer a course of instruction in Chinese such as it has never, hitherto, been possible to obtain in this country.

The promoters of the scheme were encouraged to hope that the University of London, when fully constituted, would afford it recognition and apportion it a *locus* under its roof; and it is with the hope that those expectations will be fulfilled that I now have the honour to address you. If it should please the University to accept this proposition, continue Mr. Brown as Superintendent, and appoint him a Professor of Chinese in the University, the China Association will charge itself with all expenses for a term of, at least, five years; and little doubt is felt that it will be able, within that period, to place the Chair on a permanent basis.

It should be mentioned that, since my application to the Commission, Mr. Brown has been to China and brought back two Chinese Gentlemen as Assistants, who are acknowledged by all to be eminently qualified for their duties. The instruction of students is in progress, and the work will doubtless assume considerable proportions should it, as is our earnest hope, be the pleasure of the Senate to dignify it with a settled home in the University.

The appointment of Trustees and other financial arrangements will, of course, be subject to the approval of the Senate.

I have the honour to be, &c.,

(Signed) R. A. YERBURGH,
Chairman Teaching Committee.

(Signed) R. S. GUNDRY,
Hon. Sec. China Association.

University of London to China Association.

University of London,
South Kensington, S.W., 19th June, 1901.

DEAR SIR,

I am directed to inform you that the Senate, at its Meeting held this afternoon, accepted unanimously the offer of the China Association for the endowment of a

Department of Practical Chinese, (thanks for which have already been conveyed to you), in accordance with the terms of the enclosed Report, the contents of which have already, so I understand, received the approval of your Association.

Believe me, &c.,
(Signed) H. FRANK HEATH,
Executive Officer.

R. S. Gundry, Esq.,
Hon. Secretary China Association.

Enclosure.

INTERIM REPORT OF THE ACADEMIC COUNCIL ADOPTED MONDAY, JUNE 17TH, FOR PRESENTATION TO THE SENATE ON JUNE 19TH.

Proposed Department of Practical Chinese.

The Academic Council, at their Meeting on May 20th, appointed a Sub-Committee to communicate with the China Association and confer with the Board of Oriental Studies (Minute 177); and, the Sub-Committee having reported, the Council recommend the Senate to approve the following Heads of a proposal which have the authorisation of the China Association, for the immediate establishment of a "Department of Practical Chinese" in the University of London:—

1.—The University proposes to establish a special Department to be called the Department of Practical Chinese.

2.—The objects of the Department to be:—

(I) To provide courses of instruction in modern Chinese organised with a view to the needs of—

(*a*) Persons engaged or about to engage in business in China as Clerks, Merchants, etc.

(*b*) Officers employed or about to be employed in the Diplomatic, Consular, Military, and Customs Services in or connected with China.

(*c*) Civil, Railway, and Mining Engineers about to be employed in China;

and other classes to whom a knowledge of colloquial Chinese is important.

(II) To encourage study and research in connection with modern Chinese questions and existing Chinese institutions, etc.

3.—Mr. George Brown, late H.M. Consul at Kiukiang, to be appointed "Director of the Department", and to be directly responsible to the University for its organisation.

4.—The courses of instruction to be given by Mr. Brown, assisted by one or more native Chinese Teachers, and such other persons as it may be desirable to appoint from time to time.

5.—The University to provide suitable accomodation for the work of the Department at the University Buildings, South Kensington.

6.—The China Association

(I.) To guarantee a sum of £500 a year for 5 years for the expenses of the Department.

(II.) To take steps to raise a fund for its permanent endowment.

W. Foords

letter about

their

Indigo Petition

OF
ER
,

r, 1901.

hich was
Japanese
vision for
ttlements.
inclusion
t the Bill
islature in

he matter.
thods and
otherwise
er than of
the serious
the houses

APPENDIX E.

TRANSFER AND TAXATION OF PROPERTY IN THE FORMER FOREIGN SETTLEMENTS, IN JAPAN.

China Association to Foreign Office.

China Association,
159, Cannon Street,
7th October, 1901.

My Lord,

The Association was gratified to learn, subsequently to a letter which was addressed to the Marquess of Salisbury on the 27th March, 1900, that the Japanese Government had decided to introduce into the Diet a Bill making special provision for the registration of the "leases in perpetuity" held in the former Foreign Settlements.

It may conceivably be due to a further question having arisen as to the inclusion in the term "property" of houses built on the plots of land affected, that the Bill in question', which was duly passed by both houses of the Japanese Legislature in March, 1901, has not yet been formally promulgated.

No doubt is entertained as to the loyalty of H.I.J.M.'s Government in the matter. It is fully believed that the delay is due to the difficulty of harmonising methods and practices based on divergent customs. It cannot, however, be regarded as otherwise than regrettable that a difficulty which appears to be one of form rather than of principle should continue, after two years, to prevent sales or transfers—to the serious inconvenience, often, of those concerned. It is matter of notoriety that the houses

The Right Hon.
The Marquis of Lansdowne, K.G.,
H.M. Secretary of State for Foreign Affairs.

and land form a single property; and a formula recognising the fact need hardly, one would suppose, present greater difficulty than legislation recognising a peculiar tenure of the land.

The question is connected in a sense with that of taxation, which is also a subject of dispute, in that both arise out of the peculiar conditions under which the Foreign Settlements were created and effaced.

It differs essentially, however, in character, being based on the evident meaning of, and explicit assurance contained in Art. XVIII. of the Treaty[1] of 1894; whereas the claim of the British community to exemption from Municipal taxes depends on the constructive interpretation of Clauses V. and XII. of a Conventional Memorandum[2] d. 19th December, 1864, in conjunction with that Article.

The contention that the ground-rent charged on the Settlement lots was fixed at a rate largely in excess of the normal land tax, for the express purpose of supplying funds to meet Municipal expenses, and that the proportion so allotted was found sufficient, is set forth with historical clearness in documents communicated by the Yokohama Committee, which I have the honour to enclose for your Lordship's consideration.

The Committee refrain from wearying your Lordship by any attempt to recapitulate the arguments put forward in these documents, as they are aware that H.M.'s Government have full cognisance of the subject.

They are not insensible to the natural wish of the Japanese authorities to complete the effacement of the distinctions created by the original treaties of 1858; but they feel satisfied that this feeling will yield to the considerations which are marshalled by the Committee with much clearness and force, when the former bring themselves to study a complete and exhaustive presentment of the case.

I have the honour to be,
My Lord,
Your Lordship's obedient Servant,
(Signed) R. S. GUNDRY,
Hon. Secretary China Association.

[1]*Art. XVIII. of Treaty of 1894.*

Art. XVIII.—Her Britannic Majesty's Government, so far as they are concerned, give their consent to the following arrangement:—

The several foreign settlements in Japan shall be incorporated with the respective Japanese communes, and shall thenceforth form part of the general municipal system of Japan.

The competent Japanese authorities shall thereupon assume all municipal obligations and duties in respect thereof; and the common funds and property, if any, belonging to such settlements, shall at the same time be transferred to the said Japanese authorities.

When such incorporation takes place, existing leases in perpetuity under which property is now held in the said settlements, shall be confirmed, and no conditions whatsoever other than those contained in such existing leases shall be imposed in respect of such property. It is, however, understood that the Consular authorities mentioned in the same are in all cases to be replaced by the Japanese authorities.

All lands which may previously have been granted by the Japanese Government free of rent for the public purpose of the said settlement shall, subject to the right of eminent domain, be permanently reserved free of all taxes and charges for the public purposes for which they were originally set apart.

[2]*Art. XII. of Conventional Memorandum of 1864.*

"Finally, in order to avoid all further discussions about the keeping of roads, drainage, cleaning of streets, and other municipal objects for which hitherto the Japanese local authorities have been held to be responsible in view of the high rental paid by foreign leaseholders, it has been agreed that these objects shall henceforth be secured by the foreign land-renters themselves, and towards the expenses that must be incurred annually, there shall be a deduction of 20 per cent. from the yearly rent paid by all lands leased to foreigners, to be paid into a municipal fund."

[3]*Bill relating to Perpetual Leases as passed by both Houses of the Japanese Legislature in March, 1901.*

Art. I.—Perpetual leases granted by the Government for foreigners or foreign juridical persons shall be regarded as a right, and the provisions in the Civil Code relating to ownership shall apply thereto.

Perpetual leases may, following the provisions of the Civil Code, be made an object of other rights.

In cases where there exist special stipulations in the title deeds or in the treaties, or where special customs are in vogue, the provisions of the preceding two clauses shall not apply.

Art. II.—When a transfer of a perpetual lease takes place, unless a note of such transfer is made on the title deed by the local government office having jurisdiction over the land to be transferred, there will be no protection as against third parties.

Art. III.—No registration fee shall be imposed for the registration of a perpetual lease or of a right incidental thereto.

Art. IV.—With regard to the registration of a perpetual lease, of a right incidental thereto, or of buildings erected on land held under a perpetual lease, special provision may be made by Imperial ordinance.

Supplementary Rules.

Art. V.—This law shall come into force from the day on which it is issued.

Art. VI.—The provisions of Art. 45 of the law for the enforcement of the Civil Code shall be rescinded from the day on which this law comes into force.

Art. VII. —A perpetual lease, or a right incidental thereto, which may have been, prior to the operation of this law, registered as a superficies or as a right incidental thereto, shall have the same validity as if it had been registered as a perpetual lease or as a right incidental thereto.

Reason.—This Bill is introduced because perpetual leases, which are protected by treaty, being of a different nature to the superficies of the Civil Code, it is found necessary to make special provision for them.

Enclosure.

Counsel's Statement to Committee of China Association.

62, Bluff, Yokohama,
9th August, 1901.

GENTLEMEN,

You have asked me to prepare for you a statement of the points on which British Subjects have made objection, under the treaty, to the application of Japanese law to them and to their properties.

I beg to present a short statement of these points, with the reasons for the positions taken by the landholders.

The Central Government of Japan in the past made concessions of two kinds in favour of foreigners :—

1st.—By treaty it granted to the British Government jurisdiction over British subjects in Japan, and over their properties and rights.

2nd.—Since it was admitted that it was desirable that the commerce of the Japanese empire should be opened to the world, and it was necessary for this purpose that foreigners should live in Japan, and since, if foreigners were to reside in the territories of Japan, they would require houses in which to live and transact their business, and lands on which to erect these houses, and since foreigners were not allowed to buy or to rent lands and houses from native subjects, the Central Government undertook the responsibility of dealing directly with individual British subjects in these matters, in order to accomplish a commercial purpose; it acquired the title to lands in and about the open ports, to which foreign residence was confined, and it made direct land grants within these limits to individual foreigners, the grants thus made being evidenced by a document in writing and under official seal, known as a "Perpetual Lease." This holding was for all time, was assignable and inheritable, and was in every respect a full title except for one *apparent* difference:—it was

To Messrs. C. K. M. Martin and J. D. Hutchison,
Representing the Committee of the China Association.

conditioned on the annual payment of a so-called "ground-rent," and it was provided that upon failure of this condition the title should revert to the original grantor, the Central Government. This "ground-rent" was not a payment made by a tenant to a landlord for the use of the land; it was clear that the Central Government was satisfied with the commercial advantage to be gained, and did not wish to make a net annual income from the grants, one of the earlier local Conventional Agreements between the Central Government and the landholders providing that the original purchase price paid for the grants should be applied first to defraying the cost of reclaiming the needed land and preparing it for residence, and the balance turned over to the local communal funds; another local Conventional Agreement stating distinctly that the ground-rent was fixed at a figure which would pay annually the amount of a land tax then levied on adjoining lands, and the municipal charges of the foreign community; the ground-rent was, therefore, a commuted land and municipal tax, and cannot be brought forward as supporting the argument that the original grants were mere leases, or to impair or curtail what was a title granted by the Central Government to the individual holder, since even the holder of an absolute title is liable to charge in the nature of a tax, and may lose his property in case of failure to pay it.

It may be admitted that the local Conventional Agreements above referred to were negotiated and signed by the foreign Ministers or representatives officially residing in Japan, but they were not fully inter-governmental agreements; the Minister of a foreign Power, it would seem, fills two functions:—First, the representation of his Government in its direct dealings with the Government to which he is accredited, and Second, the protection, within lawful limits, of the local interests of his resident nationals. It was in this secondary capacity that the Ministers of Foreign Powers acted in making these purely local conventions: they were the natural Commissioners to represent their nationals who were landholders in *their* dealings with their grantor —the Central Government of Japan—and the Foreign Governments had no *direct* interest in the making of the conventions, and merely approved the action of their Ministers as representing in a semi-official capacity the local interests of their nationals, adopting the result of their acts. But, even if these local conventions have an international force, they can only be construed as international agreements laying down the general plan for foreign landholding under which grants were to be made; but the grants themselves and the deeds, or perpetual leases, evidencing them were transactions of the Central Government of Japan with individual foreign subjects, the details of the conventions forming, in legal theory, a part of the text of each grant to an individual.

Under the Treaty of 1894 the British Government, at the request of the Government of Japan, yielded and gave up all that was included in the first concession noted above; viz., its governmental and judicial jurisdiction over its subjects in Japan (vide Art. XX. of the Treaty). The concession thus made by the British Government included no more than the *jurisdictional* rights which it, as a Government, held; it could not be taken to include rights which it had never held, or rights which its subjects held under individual grants from the Government of Japan: in fact the British Government inserted in the treaty (Art. XVIII.) a requirement that the rights of the landholders acquired under the private grants should be confirmed, and that no new conditions which affected the holding or handling of their properties in the

foreign Settlements should be imposed. The French Treaty with Japan was a little more explicit and added the provision that no imposts, taxes, charges, contributions, or conditions whatsoever other than the amount of the annual commuted tax reserved in the original grant under the name of ground-rent should be levied or made on account of these properties.

No question has arisen as to the first concession; the British Government has fully turned over to Japan all the jurisdiction that it held in Japan. The questions presented arise under the second head—the grants made by Japan to individual British subjects and the protection to be given by the treaty to these holdings—for, through some unaccountable neglect, the Japanese Government, after receiving the benefit of the treaty in the assumption of its full jurisdiction, has failed to give effect to the requirement of the treaty in several important particulars:—

1st.—The Perpetual Leases have not been confirmed, and you are required to register them as "Superficies"—an inferior form of land-holding.

2nd.—Your "properties" in the Settlements are now held to be *land* only, so far as the protection of the treaty is concerned, and your buildings, built into the land, are excluded from treaty protection, refused registry with the land, are subjected to a separate registry charge which is 2½ percentum of their value, and are subjected to an annual house tax.

3rd.—On account of the refusal to register the buildings with the lands, it has become practically impossible to make a mortgage or secure a loan on the properties as a whole.

4th.—The properties are subjected to the Japanese law of wills and descent which is decidedly different from the laws under which they have been acquired and held in the past.

5th.—An Income Tax is levied by the Central Government, and one by the Municipal Government, on incomes received from these properties, in addition to the ground-rent paid.

6th.—Under the earlier conventions, which formed a part of the lease transactions, the ground-rent charge was specifically made to cover the land tax and *all Municipal Charges*. It is now admitted that no land tax can be collected, but heavy Municipal taxes are levied on business and on incomes.

The result of these requirements is that your titles to your properties as a whole are rendered questionable, you cannot secure registration of them, and their market value has, for two years, been greatly reduced.

Under the 1st head, it may be stated that at the last Session of the Imperial Diet, in March 1901, the Government introduced a Bill for an Act providing for the registration of your titles as "Perpetual Leases." The Government Delegate, representing the Cabinet, in explaining the bill, publicly declared in the Diet that the Government had found that under existing requirements for registration the foreign title holding would be a registered "Superficies," and that a Superficies was not the same nor as good as a perpetual lease (vide copy of translation of official report of the proceedings of the Diet, herewith enclosed). The Diet passed the bill and it became an Act; but it has never been promulgated, and, therefore, lacks the force of law.

Under the 2nd head it may be stated that the question involved is one of the interpretation of the meaning of the word "property" as used in Art. XVIII. of the

British treaty. We of course understand that it includes structures and improvements fixed to the land. The Japanese now deny this and, while admitting that the protection of the treaty exempts the land itself from all burdens, they claim that the structures and improvements are without the protection of the treaty, and subject to taxation, practically without limit, since it seems that a house tax may be levied to meet any general or local emergency or expenditure. We believe that there can be no reasonable doubt that the word "property" was at the time of making the treaty, fully understood to include structures and fixtures attached to the land, for the following reasons:—The English text of the treaty was the only one officially signed by both Governments, and it would seem to be both necessary and fair to give the English legal meaning to the English word, since it was on the English text that the minds of the negotiating Commissioners met; this belief is emphasized by the fact that at the time that the treaty was made and at the time that it came into operation it was, under the doctrine of extra-territoriality then in force, English law, custom and usage which controlled the properties that were the subject of the provision in which the word "property" occurs, and the properties had, under English law, always included the fixed structures and improvements, except where they were, by contract, separated; the treaties of Japan with other Powers were made after the treaty with Great Britain, and they all use words as equivalent for the word "property" which, under their legal interpretation, include with the land structures and fixed improvements; when the official English text of the treaty was officially translated into Japanese, immediately after its final signature by both of the high contracting parties, and promulgated under the authority of the Japanese Foreign Office, the word "property," as it occured in the sole official text, the English text, was rendered by the word "fudosan," a word used in the Japanese Code to define an "immovable," as "*land and things fixed thereto;*" this shows that at the time of the making of the treaties the Japanese themselves understood that the word "property" as used in the treaty included things fixed to the land, and that their present interpretation is a very recent one, adopted and insisted on for present financial convenience. The British Government and two other Governments have officially called the attention of the Japanese Government to their interpretation of the treaties, the effect of this interpretation being the same as yours under the first two heads. The Japanese Government, so far as we know, has paid no official attention to these representations. You have been repeatedly informed by their officials, speaking unofficially, that the Japanese Government would probably make some adjustment of the form and registry name of the titles to the land, but that it would never willingly admit that anything more than the naked land was entitled to the protection of the treaty.

The objection made under the 3rd head should be adjusted when the foregoing question is settled.

Under the 4th head it may be stated that since these properties are held to be, in part by Japanese Law and in whole by English Law, real properties, the present law of *situs* (Japanese Law) may be held to apply to their inheritance and descent. The Japanese law of descent is decidedly different from the English law under which the properties have been acquired and held, on account of the retention here of the old feudal idea of the preservation of property in the family line. Under the Japanese law of wills a testator cannot will away from his statutory heir more than one half of the

property held by him. This situation certainly lays new conditions on the holding and handling of the properties, which are just as much conditions affecting their value to the holders as if they were laid on its transfer *inter vivos*, and such conditions the treaty prohibits.

Under the 5th head it is urged that a tax on the income received from the protected properties is an indirect tax on the properties themselves. The action of the Japanese authorities in levying this income tax on incomes received by those who have been for years actual residents in good faith of England, and personally beyond the jurisdiction of Japan, "*because the property is in Japan*," shows that they look on the tax as a property tax. You do not deny the *general* right of a government to levy a tax on property within its territory, irrespective of the place of residence of the owner, but claim that the treaty has made a specific exception to the general rule by providing that no tax shall be levied on account of these properties, because it was agreed that all tax was paid in paying the ground-rent.

The question raised under the 6th head has been fully discussed in a Memorandum which is furnished herewith. In this case the local conventional agreements under which perpetual leases were provided for make it clear that the ground-rent charge included all municipal charges; the attempt, then, to levy any municipal tax in addition to the ground-rent is an attempt to collect a double tax.

The Japanese Central Government has shown no disposition to take up, and officially discuss, any of the above points, even the first two on which formal diplomatic representations have been made by the British and other Governments, though these representations were made many months ago; but it seems to prefer unofficial discussion, and to consider it safer, since that can never bring the questions to an issue. This unofficial discussion has made it reasonably clear that the Japanese wish to base the discussion of the questions on the *general* rules and precedents of international right, claiming all of these rights as necessarily inherent, in all cases, in an independent Government; they either cannot or will not realise that the provisions of the treaties that they have voluntarily signed make special and specific conditions which create an exception to the general rules of international law stating the rights of an independent Government, and that therefore these general principles cannot be invoked in the discussion as against the specific provisions of the treaties, which must be taken as establishing the law of the case. They do not seem to realise that it is quite common in treaties between nations to find one or both Governments specifically giving up the exercise of a right which under the general rules and precedents governing the relationship between independent Governments they might have exercised, and that in such cases the treaty text must be taken to rise above and supplant general rule and precedent. It is clear that the making of such a concession in a treaty does not detract from the dignity of the Government making it, or cast any shadow on its independence, especially where the concession is made for the protection, and to guarantee the integrity, of earlier grants made by the Government making the treaty-concession. It is equally clear that after the concession has been made in a treaty the dignity and independence of the nation making it cannot be served, but will rather be damaged, by a refusal on its part to give effect to the concession made. The Japanese are—quite properly—very sensitive on any question affecting, or supposed to affect, their national dignity, and this is believed to be, in some measure, the reason for their delay in

carrying out the treaty agreement. If they could be made to see that there is no indignity involved either in the making or the enforcement by them of the concession that they have justly made, it is probable that they might readily be persuaded to take up, and satisfactorily dispose of, the questions that have arisen in applying the treaty provision to properties which have been specially excepted from the application of general rules and principles.

The Japanese unofficially admit that the Japanese text of the treaty is in no sense an official text, but that the English text is the only official text; they practically admit that the whole discussion rests on the meaning and the force to be given to the word "property" in the official English text; they cannot deny that in their official translation of the treaty text they first gave to it the meaning that English law gives to it; yet, for present purposes, they have so far refused to give to it the meaning which the British Government has officially informed them is its meaning, and they have failed to take the matter up officially or to answer the representation, but indulge in unofficial statements that they can see no prospect that the discussion will terminate in the admission by the Government of Japan of the interpretation of the treaty word offered by the British Government.

If this inaction should give promise of continuing indefinitely, or should finally result in a definite refusal, it is highly probable that the British Government will find it, as a matter of dignity and justice, necessary to insist on the validity of its reasonable interpretation of English words used in the official text of its treaty, or at least to require, with other Governments which accord with its views, that all questions, resting as they do on the interpretation of the language of the treaties, shall be referred to a High Commission which shall determine the force and effect of the treaty provisions, the finding of the Commission to take the form of a protocol explanatory of the force and effect of the treaty.

Respectfully yours,
(Signed) N. W. McIVOR.

MEMORANDUM.

Levy by the Yokohama City Authorities of a Municipal Tax on the Foreign Residents of the former Settlement Concession. Method adopted to enforce collection.

On the *20th of June, 1901*, formal official notices, signed by the Mayor of Yokohama (Native), representing the Aldermen's Council were served on the Hongkong and Shanghai Banking Corporation and many foreign residents of the former Settlement stating the municipal charges against them on account of the Municipal Income Tax and the Municipal Business Tax, and announcing that, if these charges were not paid on the *25th of June, 1901*, legal steps would be taken to enforce their payment by the seizure and sale of property. A copy of the notices for each one of these taxes is hereto attached marked respectively "Exhibit A" and "Exhibit B." (Notices received by others are in the same form).

Immediately before the issuance of these official notices, the Japanese papers had published announcements that the Native City Assembly, being wearied by the protests made by foreign residents against the payment of certain municipal taxes and rates in the former Foreign Settlement, had, on the 13th of June, 1901, passed a resolution ordering the City Officials to ignore the protests and enforce payment by seizure of property. It is supposed that the notices above referred to have been served under, and in accordance with, the terms of this resolution.

The taxes which it is thus proposed to collect are by no means the only taxes which foreign residents within the limits of the old Settlement are to be called upon to pay:—they are the City rates assessed as municipal taxes on the basis of the National Business Tax and the National Income Tax. Under the local regulations the City is permitted, and proposes, to collect, for municipal purposes and expenses, from each of the foreign residents, a sum which is 50 per cent. of the National Business Tax, and a sum which is 40 per cent. of the National Income Tax, as these national taxes are levied upon him. While these taxes are based on the national taxes, they are not levied by the National Government, but are levied, and would be collected, independently by the City Government for purely municipal purposes.

Since the new treaties came into force the foreign residents have very generally objected to these taxes levied by the Municipal Authorities, though they have made no objection (except in the case of non-resident owners) to the same taxes as levied by the National Government, but have, it is believed, universally paid them. As to the municipal taxes of these two classes, some of the foreign residents, through ignorance of their legal rights historically secured to them, or on account of an unwillingness to have any disagreement with the local authorities, have paid them when the demands were made and the notices were presented; others have paid them with a protest, attempting thus to preserve peace and still reserve their rights, their protests being smilingly received by the Authorities with the promise that they would be noted if it was so desired, but with information, indirectly and unofficially given, that a protest, under their system, would furnish no remedy; others have refused to pay these taxes, entering their protest without making the payment.

The foreign residents thus protesting have not, until these recent notices of intended seizure were served, called the matter to the attention of their respective Legations, because they could make no objection to these taxes as levied by the Central Government, with which the Legations deal, and because they felt that the efforts which their Legations were putting forward to secure an equitable adjustment of the rights and duties arising from the application of Japanese laws to them, under the provisions of the new treaties, would result in a settlement of this question, with others, if the whole subject of the adjustments required should be referred to a Commission: this being a local matter, they have relied on their local protests until the specific danger of losing their property under seizure has been forcibly brought to their knowledge by the notices served. Under these circumstances foreign residents now feel that they must appeal the matter to their Legations, and, through them, to the Central Government of Japan, especially so since they are informed, and believe, that the recent action of the City Authorities is supposed to have received, in advance, the sanction and approval of the Central Government which, in Japan, controls the action of all local governments.

The objection made to the levy and collection of these *municipal* taxes rests on the provisions of the *Conventional Memorandum of 1864* (19th December), for the Settlement of Yokohama, which was signed by the foreign Diplomatic Representatives for the residents and by Commissioners appointed for Japan.

It appears from the internal evidence furnished by this Conventional Memorandum, as well as from the facts presented by contemporary local history, that, while certain territorial concessions had been loosely made, prior to the date of the Memorandum, under contracts direct from the Central Government, to individual Subjects and Citizens of the foreign Powers, under which a ground-rent was paid to the Central Government which, itself, claimed to be the landlord of the territory, and the Settlement had, thus, come into existence prior to 1864, it was then complained by the lease-holders that more territory was needed, owing to the growth of the Settlement, and that the landlord—the Central Government—was receiving a ground-rent which was at that time exorbitant, especially in view of the fact that the Central Government practically assumed no landlord's responsibility for the increasing municipal expenses, but left them to be borne by the renters in addition to their payment of the ground-rent. This situation, and the complaints made under it, led to the making of the Conventional Memorandum. This Memorandum undoubtedly applied directly to the territory covered by grants made after its signature, since it was under its terms that subsequent perpetual lease transactions were made and took effect; it also applied to the territory covered by perpetual leaseholds vested before its date, since it was called into being by the complaints of these prior leaseholders, and they, in common with the Landlord—the Central Government—accepted and acted upon the agreements of the Memorandum as adjusting the complaints made by them as to the interpretation of their existing perpetual lease contracts and the duties assumed under them, and as fixing the terms and interpretation of perpetual leases later to be made, and thus relating to the whole of the Settlement territory, both new and old. Thus the entire territory of the Settlement of Yokohama, as it stood on the day that the new Treaties came into force, was vested in the foreign residents under the terms and conditions of the Conventional Memorandum of 1864, and the guarantees made by the Memorandum were guarantees *relating to the territory*, affecting directly the holders of the perpetual leases as to all municipal taxes which might be properly levied against them, and affecting indirectly, but with equal force, the assignees of these holders and all residents within the territory.

Article V. of this Conventional Memorandum sets apart and provides for the reclamation, by the Japanese Central Government, of the new territory to be added to the Settlement, and provides for the sale of lots by the Central Government to foreigners under perpetual lease contracts, and closes with the following agreement (quoted):—

> "*The proceeds arising from such disposal to be added to a Municipal Fund,*
> "*which shall be employed for the making and drainage of roads, &c., and keeping*
> "*them in a state of repair.* It is understood that rent shall be paid, as for
> "other allotments within the Foreign Settlement."

Article XII. of the Conventional Memorandum reads as follows:—

> "Finally, in order to avoid all further discussions about the keeping of
> "roads, drainage, cleaning of streets, and *other municipal objects* for which

"hitherto the Japanese local authorities have been held to be responsible
"in view of the high rental paid by Foreign leaseholders, it has been agreed
"that these objects shall henceforth be secured by the Foreign Land-Renters
"themselves, and towards the expenses that must be incurred annually there
"shall be a deduction of 20 per cent. from the yearly rent paid by all lands
"leased to foreigners, to be paid into a municipal fund."

Under the formal agreement of the 17th December, 1871 (Book of Treaties and Conventions, page 1050), the control of, and responsibility for, municipal policing and affairs in general in the Yokohama Settlement, with its fixed funds and annual interest in the ground-rent payments, passed to the Japanese Central Government, represented by the Governor of Kanagawa Ken, and were taken over, and assumed by, the Central Government, which was thus substituted for the "Foreign Land-Renters themselves" as described in Art. XII. of the Memorandum of 1864. After this arrangement was made the full amount of the annual ground-rent has been paid, by the renters, to the Central Government, it being understood that it transferred the 20 per cent. of its rent receipts to its local office in Yokohama, in charge of the Governor of Kanagawa Ken, to be used for the municipal expenses of the Settlement.

The income from the fixed funds (the proceeds of sales in the new Settlement territory) and the 20 per cent. of the annual ground-rent has always been supposed to have furnished ample provision for all municipal objects, since no additional tax was ever called for.

The result of these agreements and arrangements was that the Central Government admitted that the ground-rent paid by the foreign residents was, in 1864, and probably for some years after that date, very high, and, in view of this fact and of the consent to continue the high payments for all time, agreed to create, for the benefit of this municipal territory, a fixed fund consisting of the entire proceeds of the sales of the lots in the new territory, and to add to the income received from this fund 20 per cent. of all of the annual ground-rent payments received from both the old and the new part of the Settlement, such moneys being used to meet the expenses of policing, street repair, drainage and *all other municipal objects*.

It being found that these provisions furnished ample funds for all municipal expenses, and that no additional funds to be derived from taxation were needed, the Central Government, in 1871, took over all responsibility for municipal affairs, and retained it until the new treaties came into force in 1899, up to which time no tax contribution was required.

It is understood that in 1899 the Central Government turned over to a Native Municipal body the municipal control of the Settlement, but that it has, so far, failed to turn over to that body any fixed, or invested, funds arising from the sale of the new Settlement lots, or the 20 per cent. of the annual ground-rent receipts, both of which sources of income were, under the former Conventional arrangements, to accrue to the benefit of that territory known as the Settlement or Concession, in lieu of all municipal taxation within its limits.

Under these facts and circumstances the residents of the Settlement territory, while they do not deny the need, by the Municipal Body, of funds to carry on the public business, and admit that taxation is the ordinary method of securing municipal revenue, claim that, under the guarantees of the old conventional arrangements, the

Central Government has, in consideration of the receipt by it of what was during a number of years an exorbitant rental charge, formally agreed to stand in the breach and relieve the Settlement territory from all municipal charges of every kind, and that, since the present Municipal Authorities presumably have full knowledge of the public Conventional agreements of the Central Govenment, it is to the Central Government that the local Government must look for all Municipal tax contribution to be asked for from the former Settlement territory.

It is admitted that Article XVIII. of the last treaty between Great Britain and Japan provides that the Foreign Settlements shall be incorporated with the respective Japanese communes (the treaties with other Powers containing similar provisions), and that the Foreign Settlement of Yokohama has, in a general sense, been merged in the general municipal system; but it is not admitted that, in passing into that system, the specific territory known as the Settlement has lost any of the incidental and established rights and guarantees which had been specifically obtained for it, as territorial rights and guarantees, by valid agreement between its residents and the Central Government of Japan. Cases might be referred to existing in almost every Country of the World where a certain territory has been merged in a larger municipal system, but without losing guaranteed and vested rights of various kinds incident to the territory, including, in many cases, immunity from local taxation—(there can be no doubt that all the formerly independent territories within the limits of the present City of London have been merged and incorporated under the control and local Government of one great Municipal Body, yet there is a portion of this larger municipal territory, which was formerly an integral territory, at whose borders the authority of the general Municipal Council of the City of London to-day stops short in many matters, on account of concessions made and guaranteed to the smaller territory by the Central Government years ago, before it was merged in the larger body)—and in these cases the guaranteed rights are respected as *territorial* rights, independent of the fact that the residents have changed many times since the guarantees were first secured, and independent of the fact that the benefits guaranteed are received directly by the individual inhabitant of the territory as a personal advantage, and not as coming to him through the ownership of land within the territory.

It is admitted that Article XX. of the existing British Treaty with Japan provides that certain specified conventions, treaties, arrangements and agreements "shall cease to be binding, and, in consequence, the jurisdiction then exercised by British Courts in Japan, and all the exceptional privileges, exemptions and immunities then enjoyed by British Subjects as a part of, or appurtenant to, such jurisdiction, shall absolutely, and without notice, cease and determine, and thereafter all such jurisdiction shall be assumed and exercised by the Japanese Courts."

It has been suggested that this provision disposes of all conventional agreements made by Japan.

In reply to this suggestion, it is urged that the Conventional Memorandum, on which the immunities of the Yokohama Settlement territory rest, is not referred to directly or indirectly in the abolishing provision above quoted, since it was not made by the Government of Great Britain with the Government of Japan, and was not subsidiary to any Convention between these two Governments; it was an agreement

made by the holders of the Settlement territory, through their several representatives, with the Central Government of Japan, which claimed *under private contracts* to be their landlord, and rights were guaranteed to the Settlement territory and its inhabitants for all time, which were independent of any public treaty; it would therefore be impossible for the Government of Great Britain to concede or dispose of, rights not held by it, but which were privately held on private contract between landlord and tenant independently of any international treaty. Further than this, the purport of Article XX. is that the British Government is willing to return to Japan her *jurisdiction*, and, therefore, cancels all conventions and agreements which, through treaties with her, gave to her Subjects exceptional jurisdictional privileges, exemptions and immunities. Not only is this clear from the wording of the Article in question, but it was, in the nature of things, all that the British Government, as a Government, had to give back to Japan: the British Government could not give back to Japan private territorial rights acquired under independent and private agreements by her Subjects from the Government of Japan, their landlord; it could only give back such rights as *it* had received from Japan; viz., jurisdictional rights. This view is fully supported by Article XVIII. of the Treaty: The British Government, in the opening phrase of the Article, states that it consents to certain arrangements (in the nature of concessions) "*so far as they are concerned*" (it is admitted that this reservation may be taken to refer to the rights of other Powers, but it must also refer to the vested rights of individuals, even if they are her own Subjects, with the vesting of which the British Government had nothing to do); then in a later paragraph of the same Article, the British Government requires of the Government of Japan that it shall confirm its territorial grants made to British Subjects, and all the conditions under which the territories were privately held by them.

It has been suggested that in Article XVIII. of the British Treaty the following words are used:—

> "Existing leases in perpetuity under which property is now held in the said Settlements shall be confirmed, and no conditions whatsoever other than those contained in such existing leases shall be imposed in respect of such property,"

and that foreign residents cannot, therefore, look beyond the text of the written leases to find immunities and exemptions applicable to them which the Government of Japan is required to respect, and that if they do find them they must be immunities from taxation as to the land only.

It is urged, in reply to this suggestion, that the wording of the quoted clause is clear and very strong, and will not bear the interpretation thus offered; it is not stated that the leaseholder cannot claim any exemptions other than those noted in the text of the leases, but it is stated that the Japanese Authorities cannot impose any conditions within the leased territories (of taxation or any other kind) other than those named in the leases; but, even if the effect of the interpretation suggested could be sustained, the territorial immunity from municipal taxation would still stand, since the leaseholder or the inhabitant of the territory benefitted by the concessions made by the Central Government in the Conventional Memorandum of 1864 could, with the greatest propriety, claim that these concessions formed a part of the positive conditions of the leases themselves,

and protected the territory and those within it from municipal taxation, since the Memorandum was made the fundamental basis of the lease transactions and their interpretation, and, therefore, formed a part of their conditions as fully as if the entire text of the Memorandum had been printed in the paper which evidences the lease transaction. The Memorandum is much more technically a part of the lease transaction than contemporaneous local custom and usage which it is admitted must be considered in interpreting and explaining the terms and conditions of the transaction, with fully as much force as the written document whose highest function is to furnish the best evidence of the transaction. The written text of the lease cannot, it is admitted, be varied in any of its provisions by extraneous testimony, but such testimony can be used to interpret its terms and explain its scope. If such testimony can be made a part of the conditions of the contract under the plea that it explains them, then certainly a Memorandum made specifically for the purpose of explaining the terms and fixing the effect of the provisions has become a part of the conditions of the transaction referred to in the treaty as being still binding on the Japanese Government.

The observations made in several of the foregoing paragraphs refer to Articles of the British Treaty with Japan, but, since there are practically identical Articles in each of the treaties made by other Powers with Japan, such observations will apply with equal force to the effect of all of such treaties.

It is believed that if the attention of the Central Government of Japan is called to the hardship and wrong to which the inhabitants of the Settlement territory are exposed, on account of an oversight on its part, it will use its unquestioned powers to secure an adjustment of their difficulties.

Yokohama, 24th June, 1901.

Additional Statements and Considerations.

* * * * * *

Leaving aside the principle and the right involved in the refusal to pay these municipal taxes, the practical danger which the protestants see in the admission of their obligation to pay them is that they would thus admit the right of the local assemblies, *in which they are permitted no vote, no voice, and no right of financial audit*, to levy taxes without properly defined legal limitation. The municipal taxes now levied in Yokohama are fixed at a certain percentage of the Central Government's levy, but they may run to a much higher percentage under the authority now conferred, and that percentage may be further increased at any time by the Central Government. The experience of the foreign residents in the Settlement of Kobe presents some of the dangers that are certain to arise under such a loose limitation of the local right to tax. Soon after the Japanese City Council assumed control of the Foreign Settlement in Kobe, the city tax was fixed at 75 per cent. of a national tax, and this tax was paid by the foreign residents without general protest; after its payment, the City Authorities, upon application to the Central Authorities, received permission to

increase it to 90 per cent., and the permission was construed to be retro-active, so that at the next tax period 90 per cent. was collected as the regular tax, and 15 per cent. was collected to bring the tax already paid for the previous period up to 90 per cent. Thus it appears that, while there may be some limitation on the right of the local assemblies to levy taxes, that limitation being found in the controlling powers of the Central Authorities, there seems to be little limitation on the right of the latter; they can grant permission without any well defined limitation and can make their permissions to levy increased taxes apply to taxes paid and settled at a previous period. Under these circumstances, the protestants do not feel that, even on moral grounds, they are called upon to give up a clearly established right of immunity from local taxation, secured and guaranteed by the formal agreements of the Central Government, in its capacity as their landlord, and voluntarily subject themselves to the application of a system of taxation which is so loose that they can never tell what demands are to be made on them, or when these demands have been finally satisfied and disposed of, even though they may be urged on purely ethical grounds to give up legal rights and contribute something to the expense of what they believe to be the mismanagement of public affairs.

Referring to the quotation, in the foregoing Memorandum, of Article XII. of the local Convention of 1864, it is desired that attention be called to the fact that the statement as to the allowance of 20 per cent. of the annual ground-rent to cover all municipal charges is not, in the English text, so worded as to clearly convey the intent of the agreement as historically understood and acted upon :—At the time that the Convention was made it was admitted that the Japanese Government (The phrase "Japanese local authorities," as it occurs in Art. XII., refers to the authorities locally representing the Central Government: the local communal authorities, if there were any at the time, had nothing to do with the matter) should be held responsible for the municipal expenses of the Settlement, and it was estimated that 20 per cent. of the ground-rent would fully cover all of these charges. It was understood that the Central Government assumed *all* of these charges, the 20 per cent. of the ground-rent being agreed upon as furnishing an annual income which was then estimated to be amply sufficient to meet *all* charges. The wording of the phrase in the English text referring to the grant back of the 20 per cent., ("*towards* the expenses that must be incurred annually"), while it does not exclude this interpretation furnished by historic fact, does not express the understanding very clearly. The Japanese text of the Convention expresses it with more clearness: it reads "*for the purpose of* the expenses that must be incurred annually." The subsequent action of the Japanese Authorities fully confirms the historic interpretation of the Conventional undertaking and shows that they understood that the Central Government had assumed *the whole* municipal charge, and not such a proportion as 20 per cent. of the ground-rent would satisfy :—Since the control of the municipal affairs of the Settlement was taken over by the Central Government under the agreement of 1871 it has, up to the coming into effect of the new treaties in 1899, paid *all* of the municipal expenses of the Settlement. It is admitted by the authorities that, for the most of these years, the annual payments made by the Central Government have far exceeded a sum which is 20 per cent. of the ground-rent. If the Central Government had believed or understood that it had agreed, in the Convention of 1864, to pay these charges only so far as 20 per cent. of the

ground-rent would go, it is hardly to be supposed that it would have voluntarily paid their total amount for a period of 28 years when this total amount, as is stated, far exceeded the 20 per cent. amount. If the Central Government had understood that it had a right to call on the land-renters to pay the balance of the public charges over and above the 20 per cent. amount, it is reasonable to suppose that, at some time during a period of 28 years, it would have asserted this right.

As collaterally presenting the scheme of the Central Government under which it understood that the Foreign Settlements were founded, it may be stated that in 1867, after its experience under the Yokohama Conventional agreement of 1864, and in the light of it, it made an agreement covering the management of municipal affairs in the Foreign Settlement of Osaka and Hiogo (Kobe)—See Book of Treaties and Conventions, page 1113. Article VII. of this agreement is as follows :—

"All the ground leased to foreigners at Osaka and Hiogo will be subject "to the payment of an annual rent calculated at a rate that will be con- "sidered sufficient to meet the expenses of keeping in repair the roads and "drains, the cleansing and lighting of, and maintaining order in the "settlements, and the ordinary land tax payable at the present date to the "Japanese Government."

In 1868, a further agreement was made for the same Settlement (See Book of Treaties and Conventions, page 1124 *et seq.*) Articles III., V. and VII. of this agreement are as follows :—

"The upset price of land to be thus leased at Osaka and Hiogo shall be "eight Bus per tsubo, of which six Bus shall be retained by the Japanese "Government, in reimbursement of the money already expended by them in "preparing the said sites as building ground for Foreigners, and the "remaining two Bus shall be transferred by the Japanese Government to a "Municipal fund to be "formed at each Settlement, and to be used for the "construction or repairs of roads and drains, lighting the streets, or other "Municipal purposes. The Japanese Government consent to relinquish for "the uses of this fund a moiety of all money that may be realized at the "public sales of land at Osaka and Hiogo over and above the aforesaid "upset."

"The Annual Rent of the said ground at Osaka and Hiogo shall be one "Bu per tsubo which shall be paid in advance into the Municipal Fund of "each place, and shall be appropriated to the repairs of roads and drains, "lighting the streets, or other Municipal purposes, subject however, to a first "charge of one thousand five hundred and twenty four Bus at Osaka, and "one thousand six hundred and forty one Bus at Hiogo, which sums shall be "paid annually to the Japanese Government, as the ordinary land tax due "on the said ground."

"All payments to be made by Land renters under this arrangement to the "aforesaid Municipal Funds shall be paid by them to their respective Consular "Authorities, and shall be transferred by the latter to the said funds. The "administration of the said funds shall be conducted at each settlement by "the local Japanese and Consular Authorities, in conjunction with a "standing Committee of the foreign community, to consist of not more than

"three members, who shall be elected from and by the registered foreign "residents. The mode of electing the said Committee and their term of "office shall be determined by the Consular Authorities."

By these articles it appears that, in giving the Foreigners municipal charge of their Settlement, the Central Government set apart a portion of the proceeds of the sale by it of lots, to create a municipal fund, and provided that the annual ground-rent paid should be entirely used to pay these municipal charges, a small proportion only being received and retained by the Central Government as the commuted equivalent of a small land tax then levied.

Unlike Yokohama, the Kobe Foreign residents retained the control of their municipal affairs until the new treaties came into force in 1899, and the ground-rent funds, which were collected and applied by them to pay municipal charges had always been sufficient to meet all public needs, and when foreign control ceased there was a balance of several thousand dollars in the municipal treasury.

The case of the Kobe Settlement is here referred to as showing conclusively that in establishing these Settlements and selling the lots within them under perpetual leases, it was the purpose of the Central Government to give to foreigners places where they could live and open the trade of the country to the outer world; that it was not the purpose of the Central Government to make a profit from the establishment of the Settlements or even from the sale of the lands, and that it was specifically made clear that the ground-rent was charged only to meet the public expenses of the Settlements and to pay a commuted land rate. If there is one fact in the whole convention that may be said to be perfectly clear and beyond dispute, it is that the payment of ground-rent covers, and is, the payment of the commuted land tax *and the municipal charges for the Settlement.* The Japanese Authorities admit that the ground-rent pays the land tax, and they have not asked foreign lease-holders to pay it since they assumed full control under the provisions of the new treaties; why should they demand payment of the municipal rate which is equally with the land tax, and in the same agreement, specifically covered by the payment of the ground-rent?

While it is still most positively maintained that the Central Government has assumed and agreed to pay ALL the municipal charges of the Settlement, if it should now be claimed for it, in this discussion, that it is not liable to pay towards the municipal expenses of the Yokohama Settlement more than 20 per cent. of the amount of the ground-rent, and that, while the Central Government has never specifically set apart this amount to the benefit of the Settlement, it has annually paid, for the entire City of Yokohama (including the Settlement), a sum which is so large that it very much more than covers the amount, and that, therefore, this 20 per cent. of the ground-rent for the benefit of the Settlement must be taken to be included in the larger amount—it must be remembered that the entire population of the City of Yokohama is in the neighbourhood of two hundred thousand, and that the population of the Settlement is only about eight thousand, and it is not surprising that the Central Government, since it is distinctively a paternal Government, feels that it is called upon to make a large allowance for the maintenance of its large city outside of the Settlement, especially since that city is the entrance to its Capital and its principal sea port. Such a payment, being one that it makes under any circumstances for the care of its principal native sea port, and which it makes, proportionally to their importance,

for its other cities, cannot be said to include and to discharge any amount which it has specially agreed to pay for the defrayment of the expenses of a special territory, though it is now included within the larger city limits. The Japanese Authorities admit that, in their estimate, they have included in this large allowance made to Yokohama by the Central Goverment the cost of maintaining a police force in the city. The payment of this cost cannot be figured as a discharge of the special obligation assumed as to the Settlement, since the police system of Japan is an Imperial system; no police are employed or furnished by the municipalities; the Central Government furnishes them throughout the Empire, free of cost to the Municipalities, and in return for the national taxes collected directly by it.

It may be stated that even if the foreign residents should feel willing to concede, or compromise, a legal right that they undoubtedly possess, in order to satisfy what may be considered to be a moral demand, they do not feel encouraged to do so since they do not know how far it would be technically used against them; the purely technical objections that the Japanese Government has caused to be raised in the matter of confirming their titles as required by the treaties, and including in the titles the houses which they have built on the lands, and its official inaction in the matter for a period of two years, do not lead the residents to believe that any compromise of a right, which they might be willing to accept in a concessive spirit, would be construed otherwise than as a technical admission destructive of their main rights. If it should be conceded that the Japanese Government may ignore its earlier agreements as to the application to be made of the ground-rent paid on account of the lands in the Settlements, it is not impossible that the grants themselves which were made under the same Conventions might be ignored or impaired. Though the Japanese Government has admitted, under pressure, that a further act of confirmation was necessary to fix the fact that the titles (perpetual leases) were not "superficies," and the Diet has, after a delay of nearly two years, passed an Act making this one point clear, the Act has not yet become a law owing to the failure of the Government to secure its promulgation. As to the incorporation of improvements with the lands on which they stand, to make up the "properties" as they have always been held and as they are described in the treaties, the Japanese Government has indulged in no official discussion of the arguments presenting the rights, and has, so far, made no official response to the demands officially presented sometime since by one or more of the Treaty Powers, but has contented itself with unofficial quibbles as to the meaning of words in a native and unofficial translation of the treaties, and as to prior native custom and legal theory, which can have no possible legitimate application to properties granted and held under extraterritorial (foreign) law and custom, and has "unofficially" authorized the repeated announcement that it would never concede the validity of the interpretation in this matter given to their treaties by the Powers who have officially called the matter to its attention. The evident existence of such a spirit makes it impossible for the foreign residents to yield any portion of their secured rights on purely moral grounds since they may, by doing so, impair their fundamental rights.

Yokohama, 1st July, 1901.

Memorandum Regarding the Unity of Land and House Property.

The first paragraph of Art. 86 of the Civil Code of Japan reads: "Land and fixtures therein constitute an immovable." This is clearly a statement of law intended to furnish a definition of the word "movable" as used in the Civil Code. It is quite common, in a Japanese definition, to find the word defined occuring at the end of the sentence, whereas in the English text it is customary to give the word to be defined a prominent place at the beginning of the sentence. In order, therefore, to present in English the exact sense of the first paragraph of Art. 86 it would be well to reverse the order of the words, making the paragraph read as follows: "An immovable is land and fixtures therein."

Art. 87 of the Civil Code reads: "When (if) the owner of a thing attaches to it "for its constant use another thing of which he is the owner, the thing so attached "becomes an accessory. Accessories follow the things to which they are accessory." As given by another translator: "The accessory thing is subject to all dispositions "made of the principal thing".

As in Art. 86 the first paragraph of Art. 87 presents a definition—the definition of the term "an accessory" which would, in an English definition, appear at the beginning of the sentence.

The first clause of Art. 242 reads: "The owner of an immovable thing acquires "the ownership of a thing which is attached to it as an accessory." (The remaining clause of Art. 242 is simply a statement that the general provision of the first clause will not override a specific right obtained by contract which shows an intent of the parties contrary to the general provision).

Art. 242 is not, as is supposed by some commentators, an extension of Art. 87, nor has it been inserted as directly explanatory of the definition presented in Art. 87, but Art. 242 presents a statement of a right which, though not in any sense in conflict with Art. 87, is independent of it. A careful reading of the text of Art. 87 will convince one that that article deals with the *res*—the thing—and establishes the status and the legal relation of attached things to the main thing, whereas Art. 242, though in full accord with its spirit, states the personal right of the individual acquired by reason of the holding or ownership of the main thing and the accessory thing. This difference in the purport of Arts. 87 and 242 is exactly the difference which may be noticed when the text of the new treaties of Japan with Foreign Powers is compared with that of the old treaties: the new treaties of Japan, like Art. 87, seem to deal with the leases in perpetuity or titles to property (*Vide* Art. XVIII. of the treaty with Great Britain, Art. XVII. of the treaty with the United States and Art. XXI. of the treaty with France), whereas the old treaties dealt more specifically with the personal rights of the individual under these title grants; under the old treaties the status of the property was an incident of the right of the individual owner, whereas under the new treaties the status of the property is the main thing and the rights of the individual depend upon it. Thus the new code of Japan seems, in these Articles, to be in full accord with the modified spirit of the new treaties.

Art. 86 provides clearly that things *fixed to land* are to be taken together with it to make up an "immovable" which is construed, when so combined, to constitute one solid property. Under Common Law a house built into land is a fixture, and is treated

(in the absence of specific agreement to the contrary) as a part of the realty, but the Japanese claim that under their old system of law this was not so; that the house was not a fixture but a mere accessory of the land. This reasoning and interpretation may have been a valid and reasonable one when, as was the case in earlier times when the old legal system came into force, the house was simply a light structure placed upon the land, and not built into it, and could be readily removed without disturbing its surface; but it seems clear that where it is built into, or permanently fixed to, the land it is the intention of Art. 86 that the house should be taken with the land to make up the immovable. But, for the sake of the argument, without admitting the validity of the reasoning, let us suppose that modern buildings are, as is claimed, not fixtures but mere accessories placed upon the land:—Art. 87 of the new Code seems, without question, to cover these structures which are presumed in the Japanese argument to be easily removable without disturbing the surface of the land; it provides that a thing placed upon the land (not permanently fixed to it) for its constant use becomes a part of it if both are owned by the same owner. When attention was called to this provision in the argument on the Brower-Martin case, no objection was urged against the validity of the argument, or against the suggested interpretation of the legal purpose of Art. 87 except that the ownership of the land and the attached house was not in the same person. It was claimed that the direct ownership of the lands was in the Japanese Government while the ownership of the houses was in the holder of this anomalous title designated as a perpetual lease who was, therefore, a mere lessee from the Japanese Government. It was supposed to follow that the benefit of the interpretation furnished by Art. 87 could not be allowed to the foreign holding since the unity of ownership in the main thing and the accessory thing was lacking. It is suggested that, reading Arts. 86, 87 and 242 together, it is reasonably clear that the framers of the new Code intended to introduce an innovation on the older system, more in accord with modern usage, by having Art. 86 cover houses built into the land as *fixtures* (modern houses) and by making provision in Arts. 87 and 242 for the smaller and more easily moved houses, as attachments, which were not to become a part of the land unless owned by the same owner.

In interpreting the Code, foreigners in Japan, with good reason, believe that their houses, built into the land as they are, are properly to be held to be *fixtures*, not only under their own systems but under the Japanese Code; but, leaving this conclusion aside and accepting the Japanese statement that they are only accessories and, as such, become a part of the land only when they are attached to it "for its constant use," the ownership of the main thing and the accessory thing being in the same person, it is perfectly clear that, since the lands were granted for the specific purpose of erecting on them buildings for residence and business needs, the building may be considered an accessory. No one thing, under the historic circumstances surrounding the granting of these lands, could be conceived of which would be more for permanent or constant use in connection with the lands than a building. This, then, leaves as the only objection to the application of the provisions of Art. 87 to the Settlement lands and buildings erected on them, the limitation that the ownership of the buildings has not been in the same person as the ownership of the lands—the holder of the perpetual lease supposably owning the buildings but not the lands.

The Act passed at the last session of the Imperial Diet for the purpose of legally

establishing and recognizing a perpetual lease seems to do away with the final objection based on the limitation last above referred to. The text of Art. 1 of the Act is translated as follows:—"A right of perpetual lease created in favour of foreigners or "foreign juridical persons by a title deed of perpetual lease issued by the Government shall be a *jus in rem*, and the provisions of the Civil Code relating to *Ownership* shall be correspondingly applicable thereto." This Statute gives to the holder of a perpetual lease, from the time when it was first granted by the Government, all the rights which the Civil Code confers on one having the ownership of land. Under Art. 87 of the Code one of the principal rights given to ownership of the land is the right to attach a building to it and have it become a part of it. Thus the last objection having been disposed of by Art. 1 of the recent Act of the Diet, the building has unquestionably become, even in the most technical sense, an accessory of the land to be disposed of and treated with it.

If it should be claimed that the recent Act has no retro-active force, and will, therefore, be construed to apply only to buildings that may be attached to the land after the passage of the Act, it must be remembered that the draft of the Act was made and brought up by the Government before the Diet, and before its passage by that body the official representative of the Government gave the reasons for presenting the Act for passage, and these reasons and explanations, given and made in answer to questions propounded by the members, all show that the Act was intended as a corrective one to apply and give effect to the admitted provisions of the treaties, by recognizing the carrying over of a status which existed in 1899 at the time of the taking effect of the new treaties. These properties were solid properties—land and building united in one—(except where there was a specific agreement to the contrary), registered and treated as such, when the new treaties took effect, and it is made perfectly clear that this recent explanatory enactment refers back to that time. It must be remembered, too, that both the Code and the Act deal, not with the present individual owner, but with the status of the property right.

If it is urged that the Japanese themselves have not the benefit of this interpretation of their Code, and their houses are separated from their lands for all purposes, and that we cannot ask for more favourable treatment than they themselves receive from their Government, though it might be suggested that under the proper interpretation of their present Code *they* are now entitled to demand that their properties should not be carved up and separated, yet their plight in this matter has no bearing on the right of a foreigner in a perpetual lease property:—it is true that our treaties provide as to most matters that we shall be accorded the same rights and bear the same burdens that Japanese Subjects have and bear, but as to the perpetual lease properties the treatment to be accorded to us is not fixed or limited by the treatment accorded to the Japanese, not only because no Japanese holds such a title, but because, as to these properties, the declaration of the treaties is not a relative one based on equivalent treatment, but is a direct and positive statement of an exception to the general relative rule—the treaties say that these particular property rights shall not be placed under any conditions or be made to bear any burdens which are not provided for in the original grants. The test thus established by the treaties is not, What rights have the Japanese Subjects in their lands and their fixtures and accessories?, but, What rights had the foreigners under their original grants?

If the foreigner's land and buildings are one solid property, whether this conclusion be reached by treating the buildings as fixtures or accessories, this solid property is as a whole protected by the treaties from the levy of any tax on the houses alone is in direct contravention of the specific and exceptional statement of a protection made in the treaties, and this is so whatever rights the Japanese Government may feel that it can exercise in dealing with the property of its own nationals.

[It is understood that H.B.M. *Chargé d'Affaires* was informed by the Japanese Minister for Foreign Affairs, in July last, that the Imperial Ordinances necessary for bringing the law into force were in course of preparation, but that he was unable to give any definite date for their preparation.

The Foreign Office have accordingly decided to await the issue of these Ordinances (contemplated by Art. IV. of the new law) before deciding whether further, and if so what further, action should be taken as regards the registration of buildings erected on land held under a perpetual lease and the exemption of such buildings from House-tax and other charges].

17th October, 1901.

APPENDIX F.

PROCEEDINGS AT PUBLIC MEETINGS OF THE EASTERN BRANCHES.

ANNUAL MEETING OF MEMBERS OF THE ASSOCIATION IN SHANGHAI.

The eighth annual meeting of the Shanghai Branch of the China Association was held on the 15th July, at the Shanghai Club. Mr. C. J. Dudgeon (Chairman) presided, and amongst those present were—Messrs. H. M. Bevis, G. J. Morrison, E. B. Skottowe, A. Wright (Committee), G. Jamieson, C.M.G. (London Committee), Leonard Kerr (Secretary), W. J. Clarke, W. MacBean, N. Macleod, E. C. Pearce, H. F. Bell, C. W. Hay, F. E. Taylor, H. G. Dowler, A. M. A. Evans, Colin Buchanan, W. W. Cox, L. Moore, Jas. H. Osborne, H. J. Such, W. J. Gresson, H. A. J. Macray, E. Nelson, B. A. Clarke, H. Browett, G. W. Nöel, A. Cushny, jun., Bruce Robertson, Marcus Wolff, C. W. Wrightson, J. M. Young, C. R. Burkill, Jas. Jones, Robt. Macgregor, G. D. Coutts, G. S. Cowie, Alex. Campbell, A. E. Moses, H. J. Craig, A. S. Bremner, C. H. Ross, R. B. Allen, E. A. Probst, W. G. Pirie, J. Cooper, W. Lamond, C. Selby Moore, Drummond Hay, J. H. Teesdale, S. H. Shorrock, J. H. Craven, R. S. Ivy, and F. Gove, Mr. J. W. Jamieson, H.B.M.'s Commercial Attaché, was also present at the invitation of the Committee.

The notice convening the meeting having been read,

The Chairman said—In the report which was presented to you two years ago, your then Committee commented upon the threatening aspect of Chinese politics, and expressed grave fears that the results of the *coup d'état* of September 1898, involving the downfall of the Emperor, the re-assumption of power by the Empress Dowager, and followed by the appointment of extreme reactionaries to the highest places at Court, indicated the return to a policy both non-progressive and anti-foreign. The report you are asked to accept to-day consists in greater part of a general survey of calamitous events which have been the outcome of that policy which has been realised to the full—events which have proved how well grounded those fears were, though even the most pessimistic among us could never have conceived such mad and terrible fulfilment of their forebodings. The punishment which the ignorant madness of her rulers has brought upon China has been swift and heavy; but in looking to the future of this unhappy country the main question now is, has such punishment been effectual? Is there anything to show that China has learnt any lesson from her punishment or is in any way repentant for her misdeeds? Has there been any effort

on the part of the rulers of China to punish those to whose evil advice these calamitous events are due? Is there any sign of change in the advisers to the Court, any sign of the replacement of reactionaries by men of enlightment and progress, of whom there are many available, and who are growing in number every day? Gentlemen, it is much to be feared that the answer to each of these questions is in the negative. Pressed at the point of the bayonet, China is compelled to sullenly submit to the demands of the Powers, but in every stage of such submission there appear the too well-known evidences of chicanery and evasion which consistently stamp all her policy. What can be hoped from a Court which is still to all appearance dominated by the counsels of such men as Yung Lu, Lu Chuan-lin, and the foully notorious eunuch, Li Lien-ying, men who are significantly designated by the Chinese themselves as "the Trio of Tigers?" And is it a Court guided by such advisers that is to be allowed to re-establish itself in Peking? Surely not, for if so we may certainly prepare ourselves for a recrudescence of trouble as soon as convenient opportunity may appear to offer, for, believe me, the ignorant conceit of such men passes all understanding and is incapable of learning any lesson. Again, it is to be be feared that the reducing of the foreign garrisons in the North may encourage a movement on the part of Prince Tuan, Duke Lan and Tung Fu-hsiang which may set North China again in a blaze. Already rumour is persistent that these men are on the move, and though it may be unlikely that they will attempt much at this season of the year, or until the foreign troops are reduced or withdrawn, yet the inherent probability of the rumours makes them worthy of serious consideration for it is hardly to be supposed that either Tuan, the father of the heir-apparent, Duke Lan, his brother, or Tung Fu-hsiang, ex-Generalissimo of China, will be content to accept their sentence of banishment and settle down to the peaceful cultivation of cabbages in Mongolia. These are matters, however, which—though we may express our opinions regarding them, are largely beyond our power to influence; and in the further remarks I have to make, I will confine myself to matters dealt with in the report which may be considered as lying within our proper sphere of influence. The negotiations connected with the earlier clauses of the Peace Protocol, which was signed in January, concerned matters which though of high importance, lay outside our sphere, and it was not until the end of March, when Clause VI. came under discussion—the clause dealing with the indemnity and its method of payment—that commercial interests began to be directly affected. The report informs you of the action taken by the Committee when it became known that certain of the Powers were proposing a drastic increase in the import tariff for the purposes of the indemnity. Vigorous protest was at once made against any such summary treatment of so important a question; to increase the tariff for such a purpose, leaving questions of inland taxation unredressed, would simply mean an additional burden upon trade which would be its ruin. In our protest against such action we pointed out that the Conference of Ministers in Peking, "the divided eleven," whose methods of playing cricket are at least open to criticism, was not suited to deal with commercial questions in which many of them had little or no interest, and whose chief object seemed to be to tax other people's trade (largely British) for their own immediate benefit. We were relieved on this point by the assurance that the British Government would not consent to any such thing, an assurance given by Lord Lansdowne in the House of Lords on the 28th March and

repeated in still stronger terms on the 21st May. The position at present is this, that while Great Britain has agreed to the restoration of the import tariff to the 5 per cent. basis of the Tientsin Treaty, any increase beyond such basis can only be granted in return for a suitable *quid pro quo* in the abolition of the present trade disabilities which result from the existing wholly corrupt, and largely nefarious system of inland taxation: and moreover that any such increase, if granted, shall be applied not to the service of the indemnity, but to recoup the provincial authorities for the loss of revenue which the reform of present methods will necessarily entail. Gentlemen, I wish to press this point particularly upon you; our Minister, working as one of the "divided eleven," occupies a position of peculiar difficulty, seeing that in all fiscal questions it is the interests which he represents that are more peculiarly affected. This decision, therefore, which we have reason to believe has been categorically declared in Peking, must be welcomed as being not only wise and statesmanlike, but as evidencing determination on the part of our Government not to allow the interests of British trade to be swamped in the too evident desire of the untuned concert for a policy of patch and scuttle. Our Government has, as I have said, agreed to the restoration of a 5 per cent. effective tariff on imports without making terms as regards other matters; it is perhaps a matter of regret that it has done so, for it has been strongly held that China is not entitled to any reconsideration of the tariff until she shows more honesty of purpose in the fulfilment of her treaty obligations. To quote from the report—and these are the words, not of your Committee, but of independent, high authority:—"The reduction of the duty below the 5 per cent. *ad valorem* basis goes but a small way to compensate for the many restrictions which, in defiance of the Tientsin Treaty, the Chinese Government has succeeded in surreptitiously imposing upon trade." Under the circumstances, however, it is to be presumed that our Government was compelled to come to some measure of compromise with the views of the other negotiating Powers. Appended to the Report is a copy of a letter written in response to a request made by H.M.'s Minister for information as to the views of the Association on various questions. I do not propose to take up your time by going over the matters dealt with in that letter; it has no doubt been carefully read by all of you, and I invite discussion upon it. A few days ago there was circulated to members of the Association a very valuable paper prepared by Mr. George Jamieson which was, I believe, inspired by the request of H.M.'s Minister for "a well-considered plan for the collection of revenue to be substituted for likin" upon merchandise, whether imports or exports. You have no doubt given to this paper the careful study which it deserves. Its author, who will, I hope, have something to say to you regarding it, does not claim for his scheme anything in the nature of finality of perfection; it may be, and no doubt is, open to criticism and amendment; its figures have already come in for a considerable amount of criticism, in which I confess that I have shared, with much burning of midnight oil over the study of Customs' Yellow Books; it may be said that it assumes too much—that it assumes an honesty of purpose on the part of Chinese officials which has been woefully absent in the past: it assumes that these Chinese officials will be content with a reimbursement of a returned likin collection of thirteen million taels, where it is believed that the actual collection is probably three times the amount of such return; it may be objected to on the ground of its pro-

posals as regards Coast Trade Duties, and in its retention of Customs barriers in any form, even though such barriers be limited to what Mr. Jamieson has called inter-commercial basins. Objection and criticism will no doubt be freely forthcoming, but in the face of such complicated conditions what scheme could be evolved that would represent a policy of perfection? On the other hand, it seems to me that the scheme has great commendations attaching to it; it represents a bold attempt to put into definite workable form the various suggestions for the removal of the curse of likin which have filled the writings of this Association for years past; it brings trade revenue collection largely into the hands of China's one honest source of revenue, namely the I.M. Customs; it widens the door for the remedy of abuses which are at present lost to remedy in the obscurity of Chinese corruption; it opens the way for free transit, and for the effective utilisation of the present dead concession of Inland Navigation. For the attainment of such advantages we are warranted in taking some risk; maintenance of an attitude of *non possumus* towards all schemes, though it may be the natural outcome of disappointed experience, leads nowhere; and I believe that we would do well to approve the broad lines of Mr. Jamieson's scheme, and to risk, for the advantages which it offers, the dangers of Chinese falsity which will attach to any scheme, and for protection against which the stipulation should be made that the old tariff shall be at once reverted to on the detection of abuse. One more word about the scheme; it is not a scheme hastily prepared, or evolved out of circumstances of sudden necessity for, as I well know, it has been, in its general ideas, the subject of constant discussion both during and since the time of Mr. Jamieson's office as Consul-General in Shanghai. Gentlemen, with these remarks I leave the matter in your hands, and trust to have your full expression of opinion concerning it. I think that there is little more for me to say, and I have detained you long enough. One word only as to the accounts; as you have seen, the ordinary funds of the Branch were quite unable to meet the heavy expenditure in telegrams which the events of last year entailed, and the Committee desire to thank those firms and others who so liberally came forward with donations; these donations, you will observe, have enabled us to bring out the accounts with a credit balance which saves us from bankruptcy. Before inviting discussion on Mr. Jamieson's paper, it will perhaps be convenient to dispose of the Report and Accounts, and I therefore beg to propose that they be passed as published; but before putting the resolution I shall be glad to answer any questions, or receive any discussion arising out of them.

Mr. G. W. Noel enquired whether anything had been done with regard to getting a reduction in the cost of telegrams.

The Chairman replied in the negative, but promised the Committee would look into the matter. In the absence of further comment, he put the resolution proposing the adoption of the report and accounts.

Mr. E. B. Skottowe seconded, and the resolution was agreed to *nem. con.*

The Chairman invited an expression of views upon Mr. George Jamieson's Memorandum on the question of tariff revision with a view to the possible abolition of likin.

Mr. George Jamieson, after a pause, said he would have preferred if some members had ventured to say something either by way of criticism or commendation of his proposal. He hoped they would understand he did not come before them as an

advocate of the scheme, but as a member of the community who happened to have given a certain amount of attention to financial matters in China, and recognising there was a serious difficulty to be solved he had ventured to come forward with suggestions by way of solution. The most he claimed for his paper was that he had put down what appeared to him a possible working scheme quite full of faults and capable of much improvement, but still he ventured to put it forward as groundwork upon which something better might be built up. He did not come forward, either, as an advocate of the Chinese Government to enable them to raise revenue; that was not his business at all, but in commercial matters they here as merchants were so mixed up with the welfare of China that the two were indissoluble. They could not expect to prosper as merchants unless they had a prosperous country behind them. The position now was that the Chinese Government had to raise a good deal more revenue. Ignorant as they were of all the principles of economy, it was to be feared that they would cast about not for the best means but for the readiest, and one of those was by increasing the likin in the interior of the country. For many years likin had been an incubus upon trade. He had unbounded faith in the commercial and industrial instincts of the Chinese people, but those could not have their way unless the trammels at present hanging over them were removed. By his scheme he proposed to have free trade throughout such portions of the country as were in effect kingdoms. If that could be carried out he believed there would be such an expansion of trade as would more than recoup them for the increased duties. They had, of course, no control over the officials, but he thought the way in which they had observed the agreement regarding opium—under which they paid all charges at the port of entry—was a guarantee that they would respect the arrangement he proposed. Explaining his scheme of "commercial basins" the speaker said that, for instance, the Lower Yangtze would include Hankow, Shanghai, Chinkiang, and possibly Nanking, and all the country round. Within that area there would be no taxation upon any goods, native or foreign, except when they passed into another "commercial basin." He had not gone carefully into the boundaries of these basins, but no doubt they could be arranged. According to his plan goods from the North to Shanghai or from Shanghai to the North would pay equivalent to the foreign tariff, which he believed the trade would stand. He concluded by inviting questions.

Mr. E. A. Probst said that two or three years ago when the subject of tariff revision was mooted, the consensus of opinion was in favour of a 10 per cent. *ad valorem* duty which would frank goods throughout the whole of China and do away entirely with likin. He did not see why they should go back upon that opinion. The only difference was that then they formulated no scheme as to how it was to be carried out, and at the present moment Mr. Jamieson had considerably assisted them in that direction. Whether Mr. Jamieson's scheme was feasible in its entirety he was not prepared to say; but here was, no doubt, good groundwork upon which the higher authorities could work. He would like to ask Mr. Jamieson whether his scheme included exports of Chinese goods.

Mr. Jamieson—Certainly. What I wish to press upon the Chinese Government is that not merely should they abolish all likin, that is to say on tea, for instance, but that it should pay no export duty.

Mr. Probst said the present duty on silk value Tls. 350 a picul, by the time it

arrived in Shanghai, was about Tls. 30 to Tls. 34 a picul—roughly 10 per cent. During the present season the mandarins in Hangchow wanted to impose an extra squeeze of $2, but some of the Chinese traders represented it to the foreign merchants and through some of the leading officials here the attempt was squashed.

Mr. G. Jamieson said he believed the Chinese Government would be well advised to abolish all export duty whatsoever, for it would be recouped by the enhanced import duty. His theory was that the more you export the more you will import, and if you do not export you cannot import. Unless a Chinaman got money from the produce of the soil and the result of his labour, he could not buy imported articles. Unless there was a balance of trade in favour of China he did not see how she could pay her way. She had no gold to export, and if she began to export silver he did not know what would happen; probably in five or six years it would result in her bankruptcy.

Mr. J. W. Jamieson, British Commercial Attaché, said that the scheme before the meeting practically enabled the Chinese to pay the whole indemnity and gave them a good deal besides. He advised the Association to give their fullest support to the scheme on account of the trade that would follow, and urged them as merchants to enter into the serious consideration of such problems and keep their representatives well posted.

The Chairman expressed the pleasure with which the members had listened to the discussion. The scheme would no doubt have to be widely considered, and perhaps through the Chamber of Commerce they would be asked to give their views.

The following gentlemen upon the motion of *Mr. J. M. Young*, seconded by *Mr. Probst*, were then unanimously elected to form the Committee for the ensuing year:—Messrs. H. M. Bevis, C. J. Dudgeon, W. J. Gresson, E. A. Hewett, D. McNeill, G. J. Morrison, J. L. Scott, E. B. Skottowe, and A. Wright.

The proceedings then terminated with a vote of thanks to the Chair.

Annual Dinner of the Shanghai Branch,

Held at the Shanghai Club on the 11th June, 1901.

Mr. C. J. Dudgeon presided, having on his immediate right the guest of the evening, Admiral Sir Edward Seymour.

Those present were:—

Official Guests:—Admiral Sir Edward Seymour, G.C.B., Mr. H. S. Wilkinson (Chief Justice), Mr. Reginald Tower (Secretary of Legation), Major-General O'M. Creagh, V.C., Mr. Byron Brenan, C.M.G. (H.B.M. Consul-General), Captain E. H. Bayly, C.B., R.N. (H.M.S. *Aurora*), Captain T. Startin, R.N. (H.M.S. *Arethusa*), Colonel R. C. G. Mayne, C.B., A.D.C., Mr. Francis C. Alton, R.N., Mr. F. S. A. Bourne (Assistant Judge), Mr. J. W. Jamieson (Commercial Attaché), Lieut.-Colonel P. F. O'Connor, M.D., I.M.S., Lieut.-Colonel F. M. Rundall, D.S.O., Lieut.-Colonel C. W. Harris, Commander Seymour E. Erskine, R.N. (H.M.S. *Alacrity*), Commander C. F. Dampier, R.N. (H.M.S. *Aurora*), Major P. M. Carnegy, Major R. Southey,

Major W. A. Watson, Major J. S. Melville, Major E. E. Couper, Major W. S. Ricketts, I.M.S., Lieut. C. M. K. Fair, R.N. (Flag.-Lieut., H.M.S. *Alacrity*), Captain F. A. Jacques, Captain M. R. W. Nightingale, and Captain G. C. Woods (Staff, 2nd Brigade), Captain F. J. M. Edwards, D.S.O., Captain F. B. D. Broadrick, R.A., Captain Noel Sampson-Way, R.M.L.I. (H.M.S. *Aurora*), Mr. H. H. Fox, Mr. F. E. Wilkinson, Mr. S. F. Mayers, Mr. L. G. C. Graham (H.B.M. Consulate), and the Rev. H. C. Hodges.

Unofficial Guests:—Mr. R. J. Cumming, Captain C. Hamilton, Mr. A. H. McCleverty, Mr. T. Royden, Captain Dunsford, Mr. W. N. Hay, Mr. W. A. Evans, Mr. H. J. Whigham, the Honourable A. C. Murray, Captain C. W. Price, Mr. R. H. Palin, Captain Cooper, Captain Irvine, I.M.S., Lieutenant Eric Charrington, D.S.O., R.N., and Mr. W. T. Lay.

Members:—Messrs. R. W. Little, G. J. Morrison, H. W. G. Hayter, J. Prentice, H. J. Craig, A. P. Wood, W. A. C. Platt, C. W. Wrightson, H. R. Kinnear, E. Jenner Hogg, E. B. Skottowe, J. Jones, H. Browett, J. R. Twentyman, R. Inglis, W. J. Gresson, W. E. Leveson, E. A. Hewett (Vice-Chair), P. F. Lavers, C. H. Ryde, Marcus Wolff, W. Bruce Robertson, J. W. Richardson, Francis Ellis, Frank J. Maitland, D. McNeill, S. A. Hardoon, E. A. Probst, S. A. Levy, B. A. Clarke, A. S. Bremner, John Ford, G. D. Coutts, A. Wright, H. R. Boyd, G. W. Noël, H. C. Gulland, J. M. Young, W. Scott, J. Tulloch, H. G. Gardner, H. C. Davis, T. Morgan Phillips, H. M. Bevis, Leonard Kerr (Secretary), J. Cooper, Dr. C. Lalcaca, A. J. How, W. J. Clarke, S. H. Shorrock, Dr. G. Moore Graham, Jas. H. Osborne, M. A. Sopher, W. Wakeford Cox, C. S. Addis, E. C. Pearce, Dr. R. J. Marshall, C. Murray Adamson, R. B. Allen, W. D. Little, John Liddell, H. J. Clark, Henry Morriss, J. H. Teesdale, W. N. Fleming, G. D. Scott, Major Donald Mackenzie, H. A. J. Macray, H. G. Dowler, C. R. Shaw, G. J. Cowie, C. H. Ross, Dr. Keylock, J. Stern, K. J. McEuen, Colin Buchanan, J. Samson, G. H. Potts, and Lewis Moore.

Mr. G. J. Morrison, in proposing "The Navy, Army and Reserve Forces," said—I am quite sure the toast I have to propose to-night will be received by all of you with great enthusiasm. We residents of Shanghai are sojourners in a strange land. The toast with which we are in the habit of opening our social gatherings, "The Rulers of our Respective Countries," however suited it may be to the circumstances generally, is not one that is calculated to send a thrill of ardour through our frames. But I am quite sure that on a night like this, when we have what is one of our few social gatherings, it will be the same here as in any other part of the world where British subjects meet together; for I think I may say that next to our loyalty to the Throne comes our esteem for the defensive forces of the Empire. (Hear, hear.) To many of our brethren at home, and to many of our large colonies the Navy is but a name. To us it is a reality, and has always been a reality. (Hear, hear.) The stately sailing ships of ancient days have given place to more modern vessels, and we have now vessels of every sort from an *Argonaut* to a *Woodlark*, but as all the various vessels of different shapes and sizes pass before our memories there is one thing appears to have remained the same, and that is the man behind the gun. (Applause.) I know very well the naval officer of to-day is a much more scientific man than formerly. His training is spread over a much wider area than was the case with his predecessor, perhaps fifty years ago; but still, to the outside world, he is the same

jovial, self-reliant man of yore. I believe that if, say, the first lieutenant of the *Agamemnon*, an old wooden two-decker, were taken out of his place and could be put down among us, there would not be a tittle of difference between him and his brother officers. Now of course we are all, as Englishmen, proud of our Navy and ships. We are proud of our guns. But, after all, it is the crews of those ships, the men of every rank and branch of the Navy we have to look to. It is these men who have protected the lives and privileges of British subjects and maintained the honour of the flag throughout the world in times past. It is these men we trust for our protection to-day, and it is to them that we look with absolute confidence for our protection in the future. (Applause). You know, I think, the naval officer has the advantage over the man ashore, up to the present time at all events. When he is out of the sight of land he is an autocrat to an extent that the mere landsman can hardly understand. He is trained from the very earliest days to make up his mind quickly and act upon his own responsibilities, and it is that training that gives him the self-reliance that is so characteristic of the service. I believe it is that training that has enabled him to accept so easily the change from wood to iron; that has made him accustom himself to breechloaders and torpedoes; that has enabled him to remain a sailor after the abolition of sails. But, gentlemen, I am afraid a blow is being struck at his self-reliance now, and that he may be liable to be called up at sea by means of wireless telegraphy. (Laughter.) I should like very much to allude to the movements of the fleet and to the action of the naval men, both afloat and ashore, in the case of China lately; but I think that these things will more properly be dealt with in a little while by our Chairman when he comes to propose the toast of our senior guest, and I therefore only ask you to allow me to couple with this part of my toast the name of the senior officer present, Admiral Seymour. Whilst we are all proud of the Navy, we must all remember that we have also to thank the Army for the position which we British subjects hold. (Hear, hear.) I am old enough to remember the time when it was supposed that the days of universal peace had arrived, and that a standing army was more an ornament than a necessity. But great things have happened since those days. To say nothing of the wars of foreign nations, and to name only a few of those wars in which our own army has taken part, we have had the Crimea, fighting in India of all sorts, the Mutiny, Abyssinia, Ashanti, Egypt, China, and last, and I am sorry to say not least, we have the great war at present going on in South Africa. We cannot open a magazine or a newspaper to-day without seeing something upon Army reform, but when we look into the articles a little more closely we find as a rule that what they want to reform is principally the War Office. Now, to-night, I am not proposing the health of the Secretary of State for War. I am proposing the health of our soldiers. Our soldiers have been subjected to a great deal of criticism during the last year. They have been criticised by many people, most of them unfriendly, most of them anxious to pick holes anywhere, and yet what has been the universal judgment of our critics? Foreign, as well as native, the universal judgment has been that to-day the British soldier maintains the proud pre-eminence that he has always shown amongst the soldiers of the world. (Cheers.) I said a little while ago the Navy was a reality to us, and more so than to our friends at home, but in the matter of the Army it is somewhat different. I think there are one or two of our friends here who possibly remember the presence of troops here in the early sixties, but to

most of us, as far as our residence in the East is concerned, living in a garrison town is an entirely new sensation. I know that these soldiers we have amongst us, when they sailed from India or elsewhere to come to China, did not look forward to a year of quiet. They were looking forward, no doubt, to active service. While we can sympathise with them in their disappointment, what has been loss to them has been gain to us, and I am sure I am voicing the feelings of all here present, and also the community of Shanghai, when I say that if these gentlemen feel as pleased with their visit here as we are glad to have their company, then I am sure they will always look back upon this episode in their lives with unmixed satisfaction. (Hear, hear). I will not refer personally to my friend General Creagh, because I know that in a little while his health will be proposed, but I will take this opportunity of coupling his name with this part of my toast as the senior representative of the Military present at this dinner to-night. I have to propose likewise the Auxiliary Forces. I do so with somewhat different feelings from those with which I have proposed that toast on previous occasions. The auxiliary forces of the British Empire, the Militia, the Yeomanry, the Volunteers, have all come well to the front of late. Some of us here to-night may not remember the obstructions that were placed in the way of the formation of the Volunteers some forty years ago. (Laughter). I admit the laugh is entirely on your side; still, gentlemen, if you do not remember I do. I remember very well when I became a member of a Volunteer corps by the kind permission of the Government, and not at all the goodwill, I did so under the provisions of an Act of Parliament of George III, which was almost forgotten. That was the Act upon which the Volunteers really were organised. But we had to fight in those days not only against obstruction—that we were ready to do—but we had to fight against ridicule. I think I have on a former occasion reminded you of a joke or riddle that was common in those early days. The riddle was, "Why are the Volunteers like Lord Nelson?" and the answer, as I dare say you all know was, "Because the last thing he did was to die for his country, and that is the last thing they intend to do." (Laughter). That riddle represented the feelings of a large section of the community, but I venture to say there is no one, either in England or anywhere else, who will dare to ask the riddle now. At the first sound of alarm the Volunteers flocked into South Africa, not only from England and Scotland, but they had flocked in from all our colonies and places all over the world where the Union Jack flies. Now, gentlemen, I am quite sure if any depreciative remarks are made in the future about the Volunteers of Great Britain, those remarks will not come from the lips of any of the members of the regular services who have fought side by side with them in South Africa. But, gentlemen, before I sit down I think you will allow me to refer to our local forces. The Volunteer Corps here is not a British institution, but it has amongst its members a good many British subjects. Moreover, about this time last year, I think it numbered about 300 men, and I think I am right in saying that about a month later it paraded as a small army of 1,000 on the Race Course. Immediately there was the least sign of danger practically every man in this Settlement who could carry a rifle was under arms. I am quite ready to give all honour to those recruits who came forward at the last moment, but we ought to remember the nucleus of old men who held together and enabled these recruits when they did come to be part of an organised military body, and not a mere armed rabble. I really think it will be quite fair if I

ask you, at least in your minds, to put the just persons on a level with the repentant sinners. In connection with this part of the toast I would like to couple the name of my friend, Major Mackenzie, whom we can trust to do everything in his power not only to maintain, but to increase, the efficiency of the only military organisation on which, up to the present, we have had to depend. I trust we shall long have our British soldiers amongst us, but in their absence we have to look to Major Mackenzie. I ask you to fill your glasses and drink a bumper toast to "the Navy, the Army, and the Auxiliary Forces of the British Empire." (Applause.)

Admiral Sir Edward Seymour, who on rising to respond to the toast was received with prolonged applause, said—I rise with much pleasure to have the honour of returning thanks on behalf of the Navy for the very cordial way in the first place in which Mr. Morrison has proposed the toast, and you for the equally cordial way in which you have all drunk it. It is a toast which we all know is always received by all our countrymen with the greatest kindness and enthusiasm. I always feel that is specially applicable in a place like Shanghai, for one or two reasons. One is that Shanghai is a seaport, and another that Shanghai is one of the most distant seaports from England by sea, and therefore the necessity of protecting the commerce of Shanghai is more acute than in a place much nearer England. There is also another reason which I will allude to, to which the last speaker referred, namely that the Navy has been connected with Shanghai from the first instance. Whether it was in the early forties when the place was first opened to trade, whether it was at the time of the battle of Muddy Flat, when sailors and marines where engaged here in 1854, whether it was in the early sixties when sailors as well as soldiers assisted in the defence of this place from the rebels, or in more recent times, the Navy has taken its part in the progress and advancement of Shanghai. (Applause.) The present time is a time of many changes. I feel, and we are all agreed, that China is not the China to-day as we recollect it. Although we cannot all remember the early sixties we can all remember historical data and something before it. I can remember when I first came out here the state of Shanghai was extremely different from what it is now. To begin with, there was only one light on the whole coast, and that was the Tungsha lightship. The settlement was a restricted one, and the value of land such that had a naval officer been able to invest the modest salary he received per annum in its purchase then, he would have been able to retire now with great affluence. The great question now, so far as British interests are concerned is, I think, foreign competition. We as Britishers feel we do not want to prevent anybody sharing in the trade of the world. What we do object to, however, is their not doing so in an entirely honest and straightforward manner, and what I personally object to, and I think you agree with me, is that although they come and trade under our flag and avail themselves of what we have done in preparing China for trade, they too seldom show us the proper appreciation for having done so. I must not run away on this topic, because everybody in this room knows more about commerce than I do, and very properly, as you might say, the cobbler should keep to his last. With regard to the Navy the changes are no doubt very extraordinary. When our late most gracious Majesty came to the Throne nobody could have foreseen that the finest battleship present at the funeral ceremonies at Spithead would be a Japanese ironclad. I mention this to show the extraordinary changes that have come over the world, and what we might therefore

expect in the future with reference to the Navy. Every nation is trying now to get a Navy. Our serious rivals in that respect are two or three in number. With regard to rivals in China, one is what is sometimes called our Northern friend, but I think one other rival we have to meet is Germany. Germany is a real rival in trade, and the German Navy is a very rising thing with which we shall have to answer some day, and let no Englishman make a mistake about that. Their trade is now being pushed forward by every possible means, and as long as it is fairly pushed forward, good fortune to it, but some day there will be a very serious state of things with which we shall have to deal. The United States is a third trade rival, and perhaps the most formidable of all. With regard to China itself, in the last three-and-a-half years the squadron has been quite doubled in strength. We have now forty-four ships on this station. We are all better equipped and far ahead of any other nation out here, unless we consider the Japanese, whose forces are close at home. Russia has made some advance in numbers, but I think, taking it all round, we may allow that the condition of the British Navy is decidedly satisfactory. The nation never grudges any money asked for it, and I think it is only our duty as sailors to see that they get the best return for it, and I believe we shall do so. I cannot sit down without alluding a little to the sister service, the Army, although I am quite sure the subject will be more gracefully handled by my friend who is opposite to me—General Creagh. It is the greatest mistake, excepting in cases of emergency, to expect the Navy to perform the special services of the Army. In what has happened in China the Navy happened to be here first, as has happened so often, but directly the Army came it was its proper duty to defend the land and for the Navy to defend the sea, and any sailor who thinks otherwise is making a mistake. I am quite sure we did not, and we were delighted to see our brothers of the Army come ashore and defend the land instead of our having to do it. It has been a great satisfaction to me to see the troops come here under the command of my gallant friend, General Creagh, and I hope they will long remain here. Mr. Chairman and Gentlemen, let me once more thank you in conclusion not only for myself but for the gallant officers and men I have the honour to command, and for the officers and men of His Majesty's Navy for the very cordial way in which Mr. Morrison has proposed this toast, and you for the way in which you have received it. (Loud cheers.)

Major-General O'M. Creagh in reply, said— I thank you very much for the way in which you have received the toast of the Army. Mr. Morrison in his speech remarked that the Army had lately been very severely criticised. That is quite so, but I think if we look at the critics, we will find that the glorious traditions which have been handed down to us by our forefathers have been well cherished by the Army of the present day. Perhaps our best critics are our continental friends, and a lately-published book is by a French officer, who was with Colonel De Mareuil. Though no great friend of the British Army, he stated in his book that the British soldier of to-day was, in his opinion, the best soldier in Europe. He states that in one attack, where one brigade lost 45 per cent. in killed and wounded, the soldiers advanced as if on parade with their eyes erect—these are his words, not mine—"seeming to say, I am British, and I will not be denied." He also said, on the same principle as our Continental friends said we sold our wives at Smithfield, that the British officers went to war with their polo stick and racquet bat, but at the same time

he allowed that the British officer was as brave as the British soldier, and nobody wanted more than that. There was another gentleman, an Austrian, who also criticised us in somewhat similar words. We like to hear these criticisms, because they improve us. What they principally abuse us for is not knowing how to scout, but if they recollect some incidents in the Russo-Turkish war, and the Franco-Prussian war I do not think our continental friends can throw bricks at us. Of course as we Britishers are very humble people we always like to profit by this criticism, and I have no doubt we will. At the same time I think they miss the point, because where we have perhaps failed a little on occasions is owing to smokeless powder and long range guns, which have never been brought into action before, and I am sure if any of our critics had the job we have had they would not have done half as well. My gallant friend the Admiral has alluded to the Navy and their connection with Shanghai. We also have a connection with Shanghai, for once before the second battalion of the present Baluchi regiment was here amongst you. My friend Mr. Morrison in proposing the toast alluded to the Volunteers of England, Scotland, and the Colonies, which showed a certain lapse of memory on his part regarding my native country, and that is Ireland. (Laughter.) We, in Ireland, do not keep Volunteers at home, because we do not want them. We send them to London, witness the London Irish and several companies who did very good service in the Cape. But while alluding to the services of the British Army I should like to say a word for the service to which I belong; that is to say, the Indian Army. (Hear, hear.) The Army in England is, no doubt, very perfect, except in one department, which wants a little practice before it commences operations. We in India have our departments controlled altogether by soldiers; therefore, as far as money will allow, we run the show fairly decently. In alluding to the Indian Army I have no doubt many will recollect what it was forty years ago. There was then the Mutiny, and to-day we have Indian troops who are perfectly ready and prepared to hold their own against any troops in the world. (Hear, hear.) My gallant friend the Admiral has mentioned the connection between our and the sister service which is one that all soldiers thoroughly recognise, and we feel certain that as long as the Navy holds the sea the Army will be perfectly safe, for the great anxiety of a General is communications. I thank you for the way in which you have drunk the health of the British Army.

Major Mackenzie in reply said—In replying to the toast of the Auxiliary Forces I presume it is an understood thing that the Auxiliary Forces now really mean the Volunteers. In days gone by the Militia and Yeomanry were considered the Auxiliary Forces, but they are now so intimately connected with the regular services that they are now to be considered part of them. After an Admiral has returned thanks for the Navy and a General for the Army, it is rather hard for a mere Major of Volunteers to return thanks for the Auxiliary Forces, more especially so as whatever he may say in favour of his own particular service must, of necessity, seem an attempt to arrogate to the service part of the honour and glory which belong to the senior services. That would be far from my intention, and I think the events of the past few years have shown that the Volunteer is ready to be considered a real defender of his country. If any man had prophesied two years ago that Volunteers would be fighting alongside with the regular forces he would probably have been laughed at, but within the last two years we have seen over 100,000 Volunteers doing so, with

honour to themselves and country. The regular Army numbers some 150,000 men, and the Militia and Yeomanry another 150,000, making in all 300,000. There was a call for South Africa, and we had to furnish 300,000 men without depleting our regular Army or the Militia and Yeomanry, and it was made up by the Volunteers who volunteered to do their work. During a recent big fight in South Africa, do you know who, when day dawned, were the nearest to the Boer laager? It was the Canadian Volunteers, mostly from Quebec. I was last year in Canada, and I heard and I have no reason to doubt it, that a large number in that company could not speak a word of English. That may seem rather irrevalent to the subject, but it is a curious fact that our French brothers in Canada recognise that they hold the same position under the flag of England as their British brothers. There are in England 300,000 Volunteers—a good many of them are in South Africa—and these men recognise that it is the duty of everyone to make himself efficient and be able to defend his own home. Our Army is a volunteer one pure and simple. If it had not been for our volunteer system our voluntary Army would have ceased to exist before now. It is a very great pity that all men do not recognise their responsibilities, and that instead of 300,000 we have not three million Volunteers in England. Had they recognised what they are beginning to recognise now, that it was the duty of every man to make himself capable of defending himself and his home, I venture to think that more than one fell disaster might have been averted. There stands in a city in India to-day a white marble angel erected over the spot where English women and children suffered most horrible barbarity. Had every Englishman in India at that day recognised what was his duty and done it, and been an efficiently-trained and equipped Volunteer, I venture to think that angel might still be unhewn rock. In Shanghai last year we had an example of what we might have had to expect. When I left to go home the Corps was 300 strong. Within a month it was 1,500. Time and again have commanding officers urged the young men of Shanghai to do their duty and join the ranks of the Corps and make themselves capable of defending Shanghai and its interests. Three hundred men became a thousand, which must be that 700 of them were recruits, and will you tell me what was the good of joining at the last moment? Our 700 recruits had an intense longing to be in row, but what was the good of them? You had 700 recruits who might just as well have stopped in the Shanghai Club. (Cries of "No!" "No!"). If you want to be of use join the Corps in time of peace, when you can be trained, and it is the bounden duty of every employer of labour in Shanghai to insist that every person in his employ should be a Volunteer. Exclusive of the Reserve we have now some 650 men. We ought to have 1,500. It is for you to give us this 1,500. The officers of the Corps will do their utmost to present you with an efficiently-trained Corps, but we cannot make bricks without straw. It is for you to give us the material. I have been told since I have been back that there is not the slightest use of Volunteers now the soldiers are here. If you repudiate your responsibilities and your duties what do you think the opinion of the soldiers will be of you? I presume you have all got patriotism, and remember this, that every man here in Shanghai fully armed and equipped and capable of taking the field is saving the country having to send out a man to take his place. I ask the employers of labour here to insist upon it that every man coming to Shanghai should become a member of the Shanghai Volunteer Corps. Gentlemen, I thank you for the way in which you

have drunk the health of the Auxiliary Forces. (Applause.)

The Chairman, in proposing the toast of the evening "Admiral Sir E. Seymour," said—It has been customary at our annual dinner that the Chairman should address you on the subject of the work of the Association; this evening I am going to venture to depart from that custom, and I put forward two excuses for doing so. My first excuse is not perhaps a very good one, for it rests on the shortcomings of your Committee who, having unduly delayed the preparation of their annual report, now propose to cover their sin of omission with the suggestion that you should accept that report, which will now be in your hands in a few days, in place of the usual dry discourse which has been your customary infliction and which you have listened to with impatience as an unfortunate incident marring the geniality of a social evening. In any case, however, you will have an opportunity of hearing what has to be said about the report when it is presented for your acceptance at our forthcoming annual meeting, and I have no doubt that the same stern resolution to duty which has influenced your attendance this evening will equally command your presence on that occasion. My second excuse is a better one. We are honoured this evening with the presence of several distinguished guests, some of whom, to our regret, are about to leave us; and I think that our time will be sufficiently and pleasantly employed in the fulfilment of our desires to make these departing guests some acknowledgement of their services before wishing them good-bye and God-speed. The honour of proposing the first toast falls to me; it is that of "Admiral Sir Edward Seymour." Gentlemen, it has been a matter of the greatest good fortune that during the troublous times which were precipitated upon China by last year's outbreak of Manchu madness, involving our fellow-residents in the North in the gravest peril which, alas, was not without its death-roll in the sacrifice of many valuable and promising lives, causing all of us the greatest anxiety, both as regards them, and as to what further complications might arise—it was, I say, a matter of the greatest good fortune that in such times we had as Naval Commander-in-Chief one possessing such distinguished tact, ability, and courage as Admiral Seymour. Admiral Seymour has been Commander-in-Chief in these waters for upwards of four years, and his tenure of command covers a period of ever-growing threatenings of trouble, culminating in a storm of war and atrocity filled with incidents which must curiously have reminded him of similar events in which he was an actor more than forty years ago. Admiral Seymour is now retiring from the command of the station which saw his almost earliest service; and the high rank with which his services have been rewarded, promotion upon which we heartily congratulate him, makes it "navally" impossible that we shall see him again in these waters, except in the case of serious emergency, which we trust may not arise, though in the lowering aspect of the Far Eastern question no man can tell what future trouble may not be in store. It must have been with curious feelings of interest that after nearly forty years of distinguished service in other parts of the world Admiral Seymour again saw the Peiho and the huge modern forts which had been built in place of those in the twice taking of which he had participated in the war of 1857-60, and which were destined so soon to again fall before the attack of the Allies. At the actual taking of the forts in June of last year Admiral Seymour was not present, and we will remember the service upon which he was engaged—his

heroic effort to cut his way through to Peking for the relief of the Legations, a deed of gallantry which will stand out brightly in the history of the war. And during that memorable march other comparisons must have doubtless occurred to Admiral Seymour, of present events with those of his previous Chinese experience, for the treacherous attempt upon the lives of the representatives of the Powers finds its counterpart in the black treachery of 1860 when, in violation of the flag of truce, the party of Sir Harry Parkes was seized, and the great number of its members foully done to death. But, gentlemen, while it is natural that our minds should be more particularly attracted by Admiral Seymour's great services in the North, we must not forget that we in Shanghai and in the Yangtze region have our own ackowledgment to make of services rendered by him directly on our behalf. During all the turmoil in the North complete tranquillity was maintained both here and on the river, and this was no doubt largely due to the measures personally directed by Admiral Seymour for our protection, and to the prompt support, both in advice and action, which he gave to the Viceroys in their efforts for the maintenance of law and order. Admiral Seymour, we esteem it a great honour and privilege to have had you with us this evening, giving an opportunity of personally conveying to you our heartiest thanks for the great service which you have rendered to your countrymen in China during your command. We trust that your voyage home will be a safe and pleasant one, and that you may be spared many years of health and happiness in which to enjoy the dignities that have so deservedly rewarded your distinguished career. (Cheers).

Admiral Sir E. Seymour was heartily cheered as he rose to respond. He said—It is not, I think, on this occasion at all necessary for me to say with what sort of feelings I rise to return thanks to the Chairman, in the first instance, for the too kind and eloquent way in which he has proposed my health, and you for the extremely sympathetic and hearty manner in which you have received and drunk it. I should find it even more difficult than I do, to reply, if it were not that I cannot help feeling that more has been said on my behalf than I deserve, ("No, no!") and, secondly, that I am a sort of representative—at least this is what I like to think myself—of the officers and men of the China squadron, and therefore I should like to feel I am speaking for them as well as for myself. I also feel, with regard to what happened a year ago, that had somebody else been put in my place they would have done exactly the same thing, only they would have done it better, but I was extremely fortunate to be there. It is a difficult thing to talk about one's self; it has been compared to walking on a tight rope, because you are sure to fall on one side or the other, and this is what I am afraid of. It is quite true I came out here some time ago, and with reference to the eloquent speech of Mr. Morrison and his remark about forty years ago, a friend said to me, "Oh, you were out here in '42 weren't you?" (Laughter). I took it as a compliment, because as we understand from the Chinese it is a compliment to make you out a good deal older than you are. However, I can remember from the year 1857 onwards; and it is, as your Chairman says, to me very curious and has been extremely interesting to remember those times, which were extremely vivid in my case, because we know how we do remember what happened a long time ago. With reference to what your Chairman has said about Shanghai, I have the strongest feeling that Shanghai is the great trade port of the Far East, and that if anything happened to Shanghai not only would the "face" of Europeans be clouded

over or darkened, as my gallant friend would say, in the eyes of the Chinese, to a terrible extent, but it would be a blow not easy to recover from. I often said myself, last summer, supposing Shanghai was reduced to the condition that Tientsin was, what a frightful business it would have been, and I am quite sure that the steps that were taken to defend this place were the best that could have been taken. In his eloquent speech the Chairman has alluded to the fact that I am soon going to leave China; in point of fact, before the end of this month I shall be on my way to England. I shall leave Shanghai with great regret. But I should be more sorry not to be sorry, because that would be a terrible state of affairs. I leave it with regret because it has interested me immensely. I feel sure that the safety of Shanghai is going to be taken care of, and I am glad to believe that I leave the squadron in a state which would make any commander proud to lead them. If I may not be here again in an official capacity, it is my hope that I may some time see Shanghai again, flourishing even more than it is now. (Loud cheers.)

Mr. E. A. Hewett, in proposing the health of General O'M. Creagh, V.C., said—Mr. Chairman and Gentlemen, in proposing this toast I feel that I have an easy and at the same time a difficult task before me. It is easy to ask you to pay this honour to General Creagh, as I know with what alacrity you will respond to the invitation, but it is difficult to find a few suitable words for the occasion. The many services which General Creagh has rendered to our country during the past 35 years are well known to us, and we were glad when we heard that the command of the British section of the Shanghai Garrison was to be entrusted to so distinguished an officer. Speaking after several months' experience we may safely affirm that our pleasure has but increased as time went on, and that in our selfishness any sympathy which we might at first have felt with the disappointment General Creagh experienced at being denied a more active part in the China Expedition has given place to satisfaction that the selection for this local command fell to him. Peace, as we know, is not without its victories, and General Creagh has certainly not come through the past months without his successes; we regret for his sake they are not the laurels which might have been acquired on the battle field. All of us hope that recent events in China may result in far-reaching reforms and permanent good, both to native and foreigner alike. How much our aspirations are to be realised yet remains to be seen, but I think I may safely assert that at least one great good will come out of the troubles we have just passed through. For many months a large international force has been collected in China, and a number of officers of all nations have for weeks together lived in the closest contact. Some of the more fortunate have had the privilege of fighting side by side, while all have in many and various ways had opportunities of meeting and acquiring a knowledge of each other, which would under ordinary conditions have been impossible. I think I may confidently state that such an international gathering has not occurred in the lifetime of the oldest of us now present; in fact to find a parallel we would have to revert to those momentous days of upwards of eighty years ago. That many warm friendships will be the outcome of this intercourse we know. The result will we trust be that a mutually more intimate knowledge will lead to greater respect for, and toleration of, the national ideas and prejudices of others. Though before long these gallant men will be returning to their native lands they will, among other pleasant recollections, carry with them a high appreciation of the good

fellowship, the ability and prowess displayed by their late comrades in arms, thus tending we hope, in time, to an increased kindly feeling and better understanding between our various nations. If, as I am convinced, this good will come out of our recent troubles, I am equally confident that in his turn General Creagh has to the full contributed his share to this happy result. As was only to be expected in a cosmopolitan community such as is found in Shanghai, and under such exceptional circumstances as have existed during the past twelve months, certain questions have arisen which were not always easy of solution. General Creagh has shown himself not only a soldier but a diplomatist of high order, and Shanghai is in a very considerable degree deeply indebted to him for assistance in smoothing out our perplexities. This, I think, is generally known, and I am glad to have this opportunity of referring to the fact before so large a gathering of Shanghai residents. I believe I am right in saying that General Creagh's stay among us is probably drawing to a close; I need hardly assure him that at his departure we will wish him farewell with the most sincere regret. We like to think that there is a possibility of his taking an active part in the further closing scenes of the China military expedition. Be this as it may, I would assure him that we will always follow his future career and the further successes which we feel sure await him with the greatest interest, and will remember that we at least have benefitted by the late disturbances in so far as they have enabled us to have the privilege of meeting so distinguished an officer. I will now ask you, gentlemen, to drink to the health of General Creagh. (Applause.)

Major-General Creagh, in reply, said—I feel very thankful indeed for the kind way in which you have drunk my health, and I am very flattered, considering the small amount I have been able to do during my residence in Shanghai. When I came here first I knew nothing, naturally, about the place, but, like Paul, I sat at the feet of Gamaliel—Admiral Seymour—as to how I should go. From your approval to-night I trust the Admiral will think I have been a good pupil. On the part of myself and officers I would say that their task in Shanghai has been an extremely easy one. We have met nothing but kindness, and in saying this to the British inhabitants of Shanghai I would like also to say that the same has been shown to us by our allies of the French and German garrison. As you are aware in garrison towns there is always a certain amount of, not friction but gaiety. (Laughter). These little gaieties might have led to international friction if all concerned had not been on such friendly terms. When we came here we were, of course, out in the wilderness, and the China Association took us under their wings, which was extremely kind of them, also the Shanghai Municipality, under our friend Hewett, and did everything they possibly could to make our landing in Shanghai comfortable. It was comfortable, but wet, (Laughter). It was in August and it rained, but we got on very well and, I am very glad to hear, notwithstanding the various prophecies to the contrary effect, our troops have been so healthy in Shanghai that I feel they will be very sorry to leave. I would thank you for your very great kindness and the way in which you have drunk my health. Mr. Hewett said I was going away from Shanghai: I do not know whether I am or not; but it is a very good place indeed.

The Chairman then rose to propose the toast of "Mr. Byron Brenan, C.M.G." He said—I rise to propose the health of another of our guests who, to our great regret, is also about to leave us; my toast is that of our Consul-General, Mr. Byron

Brenan. Gentlemen, in the circumstances of Mr. Brenan's approaching departure it would be invidious of me to say that I have pleasure in proposing this toast, but at least I may say that I have some satisfaction in the fact that it has fallen to me to do so, because of the opportunity which is given me of adding to the general acknowledgments which we wish to make of Mr. Brenan's services, a personal acknowledgment on my own account of many courtesies and much assistance rendered by Mr. Brenan to myself connected with the work of the Association. Mr. Brenan's term of office as Consul-General at Shanghai has practically been concurrent with my occupancy of this chair, and I am under deep obligation to Mr. Brenan for the help which he has given to me on the constant occasions on which I have had to seek his assistance and advice. Gentlemen, the Consular office which has been so ably filled by Mr. Brenan differs from the office of our naval and military commanders in one important respect; for whereas the service of arms mostly comes into active requisition when civil effort has failed, the work of the Consular Service is constant, whether in times of peace or war, in the exercise of vigilance and effort for the protection of national material interests, and forms one of the main foundations upon which British enterprise abroad rests for its success. Mr. Brenan is now retiring from this work of constant effort in which he has spent 35 years of his life, and in his later years of office he has filled all the highest posts which the Consular Service in China can offer. Probably the period of service which most severely taxed his energy and ability was during the years of 1893 to 1895 when, as Acting Consul-General at Canton, he applied his most strenuous efforts towards freeing British trade from the disabilities under which it lay in consequence of the open violation of Treaty rights perpetrated by the Chinese officials—efforts which were attended with a great measure of success. It was at this time also, and in the same connection, that negotiations for the opening of the West River to foreign trade were in progress, and it was upon Mr. Brenan's shoulders that the chief burden of the negotiations fell. In 1895, urgent representations were made by the Committee of this Branch of the Association for the appointment of a Special Commissioner to enquire into and report upon the whole condition of British trade in China; the representations were successful, and Mr. Brenan received the appointment, there being also included in the scope of his work a report upon the trade of Japan. The result of this arduous commission appeared in two most able and exhaustive reports, one for China, which was presented to Parliament in May of 1897, and the other upon Japanese trade, which was similarly presented at the end of the same year. It is to be hoped that these reports received the careful study they deserved, particularly that on China, for it contained more information as to the abuses and disabilities under which British trade in China suffered than had ever before been given to the public, stamped with the authority of official utterance. Since 1898 Mr. Brenan has occupied the office which he still holds, and here, as in Canton, his work has been characterised by the same effort for the furtherance of British trade interests. At the end of 1899 I attended, in company with Mr. Brenan, a large public dinner given in London, the advertised purpose of which was discussion of the China question. It was rather a remarkable dinner; H.E. Lo Fêng-lu, otherwise named "Laughing Low," Chinese Minister to London, was in the chair, and we heard from him a most remarkable discourse upon the benevolence of China in her fostering care of foreign trade, though knowledge of the true state of the case sug-

gested that the reality of such benevolence did not so much as exist in the mind of the speaker himself. In fact it seemed to me, and I think also to Mr. Brenan, that the whole entertainment was a piece of premeditated humbug, got up at the instance of the Chinese Minister himself, for the particular purpose of hoodwinking the British public; for in a crowd of, I suppose, about three or four hundred, there were only some half-dozen China hands present, and two of us, Mr. Brenan and myself, only obtained invitations at the last moment through our own importunity. One of the speakers, who had no connection with China, enlarged upon the necessity of developing British trade in China; I forget what more he said, except that it was to no purpose, but I remember Mr. Brenan's reply when opportunity was given of speaking at the very fag end of the evening. Mr. Brenan said that "as he understood it, what British trade in China wanted was non-interference. When he wished to develop his biceps he went to Sandow and bought a pair of dumbbells. Commerce in China did not need that treatment. The condition of commerce in China was that of a man prostrate on his back, over whom a house had fallen, with the timber lying across his ribs, and *débris* and bricks and mortar smothering him. That man did not ask to be developed, he asked to be rescued, and if British and foreign trade generally were only given an opportunity of growing freely, it would require no assistance at all; it would develop by itself." Gentlemen, I fear that I am getting perilously near breaking my promise not to weary you with matters of our work; it is Mr. Brenan, however, who is to blame, and I will leave him to apologise. I could not refrain from quoting his remarks because they so aptly illustrate not only the real state of the case, but the policy of rescue which he has so steadily pushed during his long period of service; namely, consistent effort to free trade from the disabilities which smother it, leaving its expansion to natural development. Gentlemen, in placing this toast before you, I feel that I have done it but scant justice. In Mr. Brenan's retirement we lose not only an able Consul-General but a close friend; he carries with him the warmest thanks of his countrymen for the services which he has rendered, and we trust that in the many years of life which are still naturally before him, he will not forget his smothered friends in China who, he may be sure, will always entertain a lively recollection both of his personality and of his work on their behalf.

Mr. Byron Brenan, C.M.G., in reply said—It is usual on these occasions to deprecate the use of flattering phrases which the Chairman has used in addressing himself to the subject of his victim. But this evening I shall not do so, for I am conceited enough to believe there is a great deal of truth in what Mr. Dudgeon has said. It was certainly surprising and extremely gratifying to me to see with what warmth you received his remarks, though until then I had no idea that during my period of consulship I had discharged my duties so much to your satisfaction. If I was one of the public criticising a Consul without any knowledge of the state of things behind the scenes I should say he was not very useful, because in a community like this there must be a great many who never come near to the consular office except to take a short cut from the Bund to the back streets; and of those who do come I am afraid the majority go away disappointed and unsatisfied, because there is a general impression that a Consul can do a great deal more than he really can. After all, the very most a Consul can do is to represent over and over again to the Chinese official that a certain wrong has been done, or a treaty right set at naught, and although the

burden of the song is always the same, he may repeat that over and over again until he is weary, and then he can send the case up to Peking—Peking, that bourne from which so few cases ever return (laughter), and if they do return it merely means more discussion locally, and back again to Peking. And so it goes on, oscillating backward and forward until at each oscillation the swing gets less and less, and quiescence is restored. (Laughter.) I know there is an idea a British Consul can put great pressure upon the local officials. That has a very familiar sound in my ears. How often have I heard that you have only to put a little pressure on the Taotai and he will do it at once, or "Why don't you insist upon that? If you press him he will do it." I know better. With these constant references to Peking and back the Chinese official looks upon it as a game. It is a sort of diplomatic ping-pong which deceives the foreigner, and he takes a share in the game. He ceases to pay attention to Consular warnings or even ultimatums. Still I think that I ought to say a word in defence of the oft-abused Taotai. The most the Taotai can do is to pass on your complaint, and that he does very willingly, and in due time he also returns to you some official answer. In that way he is very obliging, but in most cases that is all he can do. As I look back upon the long avenue of years gone by I seem to have spent all my time in altercations with Taotais, varied occasionally with some with a Viceroy; and it is a sad reflection, after thirty years, to say that I do not feel on safer ground than I did at the outset. It is the same fencing, and bluffing, and seeing—and being seen especially—as when I began. My first independent post was at Chinkiang, some thirty years ago, as my last is now Shanghai; and, if I have to establish a comparison, I really believe that in pushing a valid claim my chances of success in the old days in Chinkiang were greater than to-day in Shanghai. That implies there is something wrong somewhere. We do not seem to have managed our official business properly, and we do not seem to have gained by experience. As to who is to blame, and where it really lies, I suppose there are many opinions; I certainly have mine, but I have got to remember that the muzzling order, as far as I am concerned, is still in force. (Laughter.) I used to think that after thirty years' experience one could form a pretty good idea of the position; but, lately, in this respect my faith has been shaken, for I have been reading a book written by a man who has had much longer residence than I can claim—I do not say he has had more experience, because experience is not measured by years but by the intelligent use you make of your opportunities. The book I refer to is called, "These from the Land of Sinim." As this China Association concerns itself with all matters connected with treaties, I may be pardoned if I refer to one or two passages in it which arrested my attention. One is that the fact that foreigners are allowed to participate in the coast trade is unfair to the Chinese, and more especially what is unfair is our lately acquired right of navigation in the inland waters, a right which has been so beset with precautions, rules and regulations, that up to the present time not a single steamer has managed to force its way through them. That book says, in what other country would that privilege of coast trade be allowed to a foreign flag? I think the question should have been, in what other country are means of communication between one part of the coast and another made so difficult by cumbrous fiscal rules, made not by gentlemen from the land of Sinim but from the land of Erin? (Laughter and hear, hear.) We all hope that from what happened last year, which has been

euphemistically called an "international episode," some good may come and that the British merchant may have something more pleasing to contemplate than a mere increase of taxation. I trust that whatever advantage we secure will not be at the cost of extraterritoriality, the abolition of which has been so strongly advocated in the book to which I am referring. (Applause.) One really rubs one's eyes when one reads the pages of that book. These are not extracts from "Vice Versâ," by F. Anstey, they are from a serious book :—

"Could we but give up extraterritoriality relations would at once right themselves, rancour disappear, and friendliness rule instead. Trade would be freely permitted everywhere, and the investment of capital and development of internal resources meet with no unnecessary obstacle."

And again :—

"If foreigners were subjected to Chinese jurisdiction, Chinese officials would be specially on their guard and possibly receive the most express orders from their Government to not only observe the greatest circumspection in all their dealings with foreigners, but avoid subjecting them to any treatment that could be complained of anywhere by anybody. The whole force of Chinese thought and teaching would then be enlisted in the foreigners' favour through its maxim regarding tenderly treating the stranger from afar."

What that "tender treatment" amounts to, we all saw last summer. One really wonders if these words were really written in sober earnest. How is it that the very highest Chinese like to invest their capital under a foreign name or seek the protection of the foreigner for their enterprises, and that every Chinaman who has a cousin in Singapore tries to base upon that a claim to be a British subject? You may think it rather rash of me to criticise the work of a man whom journals far from the scene of action describe as a man of eminent authority. Gentlemen, the right to criticise a book is included in the price you pay for the work, and to criticise a book which may be misunderstood when it falls into the hands of the inexperienced and uninitated, I think, is the duty of every man whose opinion has any weight. (Hear, hear.) I trust, gentlemen of the China Association, you will continue to cling to your rights under the treaty, and to get as many more of them as you can, and to go on so as to make sure that they will be interpreted in a large and liberal spirit. You need have no qualms of conscience about that. This China Association ensures that no attempt will be made to take an unfair advantage of the Chinaman. Whatever new opening you get, or whatever obstacle you overthrow, will do more good to the people of this country than to yourselves. It is by trying to open new ways and clearing the road for yourselves first, but also for the Chinese who will crowd upon your heels that you will do good, and not by renouncing the status you have under the treaty, and consenting to take your chance in common with the people of this misgoverned country. (Loud cheers). The Chairman made some very kind remarks about the services I have rendered; but I think I may refer to one service to my country, that is to give a good example to others, for I am going to retire before I have outlived my usefulness and whilst I still have sound views; and I hope these may be of service to the China Association at home and to anybody else who likes to seek information from an old China hand. (Loud cheers.)

Mr. R. W. Little, in proposing the health of "The Guests," said that when he

first heard that such a task would fall to his lot he felt, on looking at the list of the names of guests, that he would have a wide field to cover, but on examining them now he found that the greater number had been marked off, as far as he was concerned, and included in other toasts, such as the Navy and Army, and he would therefore not be expected to refer to them. That morning he had read an article in the "Spectator" which began thus: "The immediate danger in China is that Great Britain and Germany may be left alone there with much-worn forces to contend against a guerilla war of a new and most exhausting kind." When he looked around the room and saw the "much-worn forces" of His Majesty's Army present, he felt great pity for them. (Laughter). These poor men had been brought here from India to struggle with the terrible climate and miserable heat in China. He had been told that men distinguished on the Staff had been living in greenhouses and outhouses; and yet, somehow or other, they had managed to maintain a fairly cheerful appearance. (Renewed laughter.) There was hardly anybody else for him to refer to except four members of the Consular Staff, and all he would say of them was that the future lay in their hands. With the toast he coupled the name of Mr. H. S. Wilkinson, the Chief Justice.

Mr. H. S. Wilkinson, in replying on behalf of himself and the guests, thanked the company for the way in which the toast had been received, and the very cheerful evening they had spent. He thanked the Association for the opportunity which it had given them of saying good-bye to Mr. Brenan, and especially of the opportunity of associating themselves with the tribute of gratitude and admiration to Admiral Seymour. Admiral Seymour, with that modesty which distinguished the brave, had referred to the advantages of having an Army to deal with matters upon land. During the dark days of a year ago all who knew Admiral Seymour were confident that our material interests and the name of England were in his keeping, and that they were in safe keeping. (Cheers). He had shown that bravery which distinguished the Army and Navy, and at the close of a long and doubtful day he had also won for himself not only the approval of his own Government and the British troops with whom he was associated but the admiration of our Allies, and he had done so by displaying the best qualities of an English officer and gentleman. (Cheers). Personally he was supposed to be in some respects the representative of law and order: he was now going to be disorderly. He had been particularly requested not to propose the health of the China Association or the Chairman, and yet he was going to do it, because he knew very well that if he did not do it he would be thought a very mean fellow. (Laughter).

The Chairman—In reply to this toast which has been so kindly proposed by my friend the Chief Justice, I am going to make very short work of the whole matter. If I were to reply on behalf of the China Association I should be led into a discourse which you do not at all want to hear. It is too late to attempt it. As regards myself, I think that as regards any success which has attended this evening, no thanks are to be given to me. The whole work has been done by our Secretary, Mr. Kerr. (Hear, hear.) At this late hour I do not propose to detain you longer. I have only again to thank you for the kind way with which you have received the toast of the China Association and myself. (Hear, hear.)

Luncheon given to Admiral Seymour by the China Association in Hongkong.

On the 3rd July, Admiral Sir Edward Seymour was entertained to luncheon at the Hongkong Club by the Hongkong Branch of the China Association. Mr. J. J. Francis, K.C., Chairman of the Branch, presided, and there were also present H.E. Sir Henry Blake, H.E. Major-General Gascoigne, Sir T. Jackson, His Honour A. G. Wise, Commodore Powell, Captain Jellicoe, Colonel Perrott, Hon. J. H. Stewart Lockhart, Colonel the Hon. R. H. Bertie, Hon. T. H. Whitehead, Hon. J. Thurburn, Messrs. C. S. Sharp, D. Gillies, H. P. White, G. C. Anderson, J. Brown, V. A. Cæsar Hawkins, A. S. Lewis, R. L. Richardson, G. H. Medhurst, F. Maitland, W. Poate, H. A. Ritchie, E. Shellim, A. J. Raymond, T. H. Reid, A. S. Hooper, A. Cunningham, J. Brown, F. Smyth, H. W. Robertson, D. M. Moses, A. H. Rennie, C. D. Wilkinson, R. C. Wilcox, A. G. Wood, and Murray Stewart (Hon. Secretary).

After the luncheon, the *Chairman* proposed "The King," and "The Queen, the Duke and Duchess of York and Cornwall and the other members of the Royal Family"—both of which were suitably acknowledged.

Mr. Francis then followed with "H.E. the Governor," to which *His Excellency* briefly replied, expressing the pleasure it had been to have had the honour of being invited to be present.

The Hon. T. H. Whitehead, in proposing the toast of "The Army, Navy, and the Auxiliary Forces," said that through the indisposition of his friend Mr. Chater he had been called upon to fill the gap. The toast he had to propose was one that on all occasions was received enthusiastically at the hands of all Britishers. (Applause.) The China Association was extremely fortunate in having as their guest the distinguished and gallant Admiral who was now completing his term of office in command of the Fleet on the China Station. During his period of office Admiral Seymour had rendered conspicuous service in the North of China, and he (the speaker) was sure that he echoed the sentiments of members of the China Association in wishing Admiral Seymour a long life of happiness and usefulness. (Applause.) It was considered a privilege by the civilian residents of Hongkong to have representatives of the military and naval branches resident with them. They assisted in all local sports, and entered heartily into the social life of the colony. In particular, the thanks of the Polo Club were due to Commodore Powell for the hearty support he had extended to them. (Laughter and applause.) Dealing with the question of trade, Mr. Whitehead said he had been on an extended tour round the world, and he had come to the conclusion that it was to be a battle, not of ships or of men, but of commerce. Other countries were leaving no stone unturned to advance their commercial interests, and many British centres were already seriously threatened. It was to be a commercial battle, as he already had said, and if they fought like their brothers in the Army and Navy, the victory might be theirs. (Hear, hear.) With the toast of "The Army" Mr. Whitehead said he desired to couple the name of General Gascoigne, and with that of "The Auxiliary Forces"—who had rendered such splendid service in South Africa—the name of H.E. the Governor, Hon. Colonel of the Hongkong Volunteer Corps. With the toast of "The Navy" the name of Captain Jellicoe would be coupled. Captain Jellicoe was recovering in the most

marvellous manner from what might have been a fatal wound, a bullet having passed through his chest and lung.

Replying for the Army, *Major-General Gascoigne* said: Your Excellency and gentlemen, I do not propose to delay the really serious business of the day, and so I shall confine myself to as few words as possible. For the last eighteen months a good deal of attention has been directed to the Army, and no inconsiderable amount of criticism passed upon it—no doubt some of it very much deserved. All I can say, gentlemen, is: if you will look around and take a fair view of things, I think—I *think* you have still every reason to be proud of your Army. (Hear, hear.) In saying this, I hope you will not think I am an old fogey and one of those who believe that everything is for the best in this best of all possible worlds, and that consequently I would let everything be as it is. I am not against reform; I am in favour of reform; and during my thirty-eight years' service I have seen many good and wise reforms made in the Army. I can only say I believe it is the wish of all officers of the Army to see it placed on an absolutely sound basis, and I believe they will lend themselves in every possible way to secure that end. I hold the opinion, however, if you will allow me to express it, that when we see any deficiencies in a system we are rather disposed to become hysterical over it, whilst other nations, seeing their defects, repair them and keep matters to themselves. Again, looking at the other side of the question, I think we are also disposed sometimes to run away with false impressions, and are inclined to favour measures that would leave our house in no better order than before. I don't wish to detain you, gentlemen, but I should like to say just a few more words with which I think gentlemen of the Chamber of Commerce will agree. You will be obliged to help the Army in the future by finding employment for deserving soldiers on their retirement. You must take this upon yourselves, or it will become a question not of voluntary enlistment but of conscription. I think it would be an excellent thing if the nation took steps to ensure that a deserving old soldier, at the end of his time, would be given employment in civil life. (Hear, hear, and applause.)

Replying on behalf of the Navy, *Captain Jellicoe* said he had been out on the China station for three and a half years, and it was impossible not to be impressed with the changes that had marked that period. When Admiral Seymour first took command of the China Squadron it consisted of one battleship and five cruisers, besides small craft. At the present day the Squadron was made up of five battleships and thirteen cruisers, large and small. (Applause.) There had also been a great many additions to the river gunboat fleet. Other changes besides those in the numerical strength of the Squadron were to be noted. The colony itself was gradually going over to Kowloon, and it was possible (said Captain Jellicoe) that if he returned in twenty years' time he would find a house built on the place where the *Centurion* now lay. (Laughter.) He was quite certain, however, that when that house was built the Navy would be very warmly welcomed inside. (Renewed laughter.) Though changes might take place, the hospitality of the colony remained as warm as ever. Continuing, the speaker pointed out that though the strength of the Squadron had increased, no corresponding increase in the facilities for repairing ships had taken place. Mr. Chater, whose absence was to be regretted, had, Captain Jellicoe believed, a scheme to surmount that difficulty—a scheme which, though it

would doubtless benefit the colony, had probably been considered more as something to benefit the Navy. One thing that interested him very much, said Captain Jellicoe, dealing with the question of shooting, was the interest now taken in straight shooting. It was one of vital importance to the welfare of the Empire, and it was to be hoped that the day was not far distant when every British colony would be provided with ranges where the inhabitants could become skilled in the use of a rifle (applause.)

H.E. the Governor, in responding to the toast of "The Auxiliary Forces," said the Volunteer Force was increasing in strength and it was gratifying to note that the officers and men were taking a serious interest in the work. His Excellency concluded by a humorous reference to the paucity of Volunteer officers in a company embracing so many young men.

In proposing the health of Admiral Seymour, *Mr. Francis* said: Your Excellencies and gentlemen, we are here this afternoon, on behalf of the China Association, to wish God-speed to Admiral Sir Edward Seymour on his departure from this colony, and to thank him, as well as we are able, for the admirable services he has rendered to the Crown and to us during the three and a half years he has been in command of the fleet in these waters. We have not merely to thank him for the admirable manner in which he has fulfilled what we might term his general duties, but also for the special services he rendered during the last fifteen or eighteen months—(applause) —services that must necessarily have involved the exercise of very serious and very important diplomatic functions; and this special work, by universal consent and so far as we are able to judge, has been admirably and successfully performed. (Applause.) But, gentlemen, there is, I think, one special matter with reference to which we are bound particularly to thank Admiral Seymour, and that is his expedition from Tientsin for the relief of Peking. Admiral Seymour described that expedition last night as a failure. Gentlemen, it was not a failure. (Hear, hear.) It is true the expedition did not attain the immediate object for which the Admiral started from Tientsin, but it cleared the way for the successful expedition which followed it, and seriously impressed the Chinese with whom it came in contact, and their immediate advisers, with a fair idea of what it was they were trying to buck against. (Hear, hear, and applause.) We have had many accounts of the siege of the Legations, and it seems tolerably certain that, but for the dissensions amongst the Chinese themselves, those in the Legations must have been swept away long before any relieving force could have arrived. There were divided counsels among the Chinese, one party, and a strong one, in favour of peace. The peace party were undoubtedly greatly strengthened by Admiral Seymour's expedition, and that expedition must so far be considered a great success. (Applause.) I think we have heard it said on what is supposed to be the highest military authority in the world, that the expedition was a mistake. I sincerely hope, gentlemen, that Englishmen will continue to make such mistakes. One thing that has carried Britain through in face of the gravest difficulties was this—we made mistakes of that sort. We don't know danger when we see it, and we never know when we are beaten. Ninety-nine times out of a hundred we have succeeded by just such mistakes and when a more accurate calculation of chances might have suggested delay and led to steps that possibly might have been attended by different results. Now, gentlemen, I have little further to add beyond saying that none of us for many years to come will forget Admiral Sir

Edward Seymour or the valuable services rendered to the British in this colony and in China—in fact, to the whole European world. I feel sure, too, that Admiral Seymour will not forget Hongkong and the China Association, and that when he gets home he will do all he can to further the interests of the mercantile, trading, and shipping concerns out here. During the three and a half years he has been in command of the Fleet in these waters, Admiral Seymour must have made himself thoroughly acquainted with affairs both political and commercial. Let us hope, therefore, that the Admiral will bear us in mind, and will call the attention of the home authorities and of the home public to trade in China. We are merchants and traders, and we desire to secure the trade of China and to remove out of the way of that trade all the many obstacles that have been opposed to it during the last thirty or forty years. We want free intercourse, open rivers, abolition of squeezes, and the appointment of Consuls who help, not hinder. As long as existing conditions continue, the attainment of these objects is impossible. Therefore, I say again, I hope Admiral Seymour will do all he possibly can when he reaches home to bring the position clearly before the public of England and before those in authority, because unless something is done it seems to me the results of the last fifteen or eighteen months are likely to be more injurious to trade than beneficial. If Admiral Seymour will represent these things in England, I feel certain that, with the knowledge and experience he now possesses, he will accomplish something for us. If I may say a little word for Hongkong as distinguished from the rest of China, perhaps he will use his influence with the Admiralty to give us one city in place of two, and a continuous Praya. (Laughter.) Gentlemen, I now ask you to drink to Admiral Seymour.

The toast was drunk enthusiastically and, led by Sir Thomas Jackson, the company sang "He's a jolly good fellow," finishing with three hearty cheers for Admiral Seymour.

Replying to the toast of his health, *Admiral Seymour* said—Mr. Francis, your Excellencies, and gentlemen—I need not say I rise with much pleasure and great diffidence to thank you for the kind way in which Mr. Francis proposed my health and for the hearty manner in which you responded to the toast. We have all listened with pleasure to the eloquent speech that has just been delivered by a member of one of the most eloquent professions in the world, but my reply will be brief. Mr. Francis has alluded to the question of what I may or may not be able to do when I go to England. What I may be able to do remains to be seen; but I shall never forget China for many, many reasons, and it will be great pleasure to me, as well as a great satisfaction, if I can do anything or say anything for China. It appears to me, while on China, that the honour of the British flag must come first, then commerce, which supports the great countries of the world. I think there are two places in China that may be described as great commercial centres—Hongkong is the one, and Shanghai the other. Both are very great in their way, but Hongkong is a bit of England, and therefore we must regard Hongkong as something quite different from anything else. When we in the Navy come back to Hongkong, we feel in a sort of way as if we were coming home. We see the flag flying on shore, and find a Governor ruling over the colony. Hongkong appears to be simply a little England, and though Weihaiwei may be developed as much as ever can be possible, Hongkong will remain the great naval basis in China. (Applause.) As to the question of moving the Naval Yard to

the other side of Hongkong, that, like a great many other things, is a problematical matter. If it does come to pass, then, when you walk along the uninterrupted Praya to which Mr. Francis has referred, I trust, when you gaze across the harbour, you will see that the Navy is not lost to sight, though still to memory dear. (Laughter and applause.) All these and many other reflections come to me very strongly at the present time. After having spent forty-four years out here, it would be an extraordinary thing if Hongkong and China were ever to be disassociated from my mind. I appreciate the honour done me to-day, and I shall never forget it. If it is in my power to be able to do anything to assist British commerce and interests out here, it will be, as I have already said, a great pleasure and a great satisfaction to me to do it. I thank you once again for the kind way you have responded to the toast of my health and happiness. (Applause.)

Mr. Francis invited the company to wish Admiral Seymour good-bye and God-speed, and the proceedings were thus brought to a close.

Luncheon given to Major-General Sir A. Gaselee by the China Association in Kobé.

A luncheon was given to Sir Alfred Gaselee, at Kobé, on the 29th of July, by British residents, under the auspices of the Kobé branch of the China Association. Mr. Arthur H. Groom presided, Sir Alfred Gaselee being on his right, and Mr. Tokomani, Vice-Governor, on his left. Messrs. Hellyer and Abbott occupied the vice-chairs, and there were also present:—Captain J. H. Burke, C.B., R.N., Capt. H. C. Reynolds, R.N., Captain B. I. Pell, 1st West Surrey (aide-de-camp to General Gaselee), M. T. Tsubono, Mayor of Kobe, Captain Hiraoka, Japanese Army Staff Department, Mr. J. C. Hall, British Consul, Messrs. R. Home Cook, A. de Ath, J. W. Birchenall, J. Murray, J. Archer, F. E. White, F. G. Sale, Robert Young, P. H. McKay, R. W. H. Wood, J. Marshall, H. Lucas, W. S. Taylor, Dr. Miller, H. E. Reynell, J. Ellerton, R. E. Gill, A. E. Wileman, N. D. Tata, Matt. Smith, F. Southern, A. Curtis, A. J. Cornes, A. N. Hansell, E. H. Hunter, G. Millward, H. E. Green, C. W. Dimock, F. S. Goodison, F. Fraser, F. J. Lias, D. Gillies, Dr. Fowler, V. R. Bowden, T. Satchell, W. Watson, M. J. Moses, and M. S. Joseph.

The Chairman, on the conclusion of tiffin, proposed the toast of the Emperor of Japan, which was drunk to the strains of the Japanese National Anthem.

The Chairman then proposed the toast of King Edward, the whole gathering joining in singing the British National Anthem.

Mr. Hall, the British Consul, then rose, and in an eloquent speech proposed the health of their guest, General Sir Alfred Gaselee. He said: I am sure you will not expect nor desire from me a long speech upon an occasion of this kind. Facts are more eloquent than words, and the facts connected with the appearance among us of General Gaselee are all fresh in our memory. Not quite a year has elapsed since the beginning of the trouble in China, the pacification of which has just been accomplished. In the summer of last year one of the most tremendous episodes in the history of China startled the Powers of the civilised world, who learned that their

Ambassadors were besieged within the walls of the British Legation at Peking. We are not met to discuss the diplomatic prologue to that story, nor the epilogue that followed. What was before us, and what was before the forces of the Powers of the civilised world, was the rescue without loss of time of those envoys. Our honoured guest, Sir Alfred Gaselee, was chosen as the man for the situation, and I think you will all agree with me that events justified the choice. (Cheers.) His plans were laid; his preparations made. He put his hand to the work, and in one fortnight the British and all the Legations were relieved—an exploit for which all the nations owe a debt of gratitude they have not been slow to acknowledge. (Cheers.) Now, gentlemen, I have spoken so far only of the part played by the British—a part that those in the expedition are not likely to forget. The British, however, were only a portion of the Allied Forces. Now, gentlemen, these Allied forces were under the command of their own officers, and you can imagine how complicated the work of leading those troops must have been. It was not a question of mere capacity to fight, but there were required diplomatic tact and discretion which I venture to state Sir Alfred Gaselee displayed in the fullest measure. (Cheers.) We were not alone on that occasion. We had Allies in the Japanese we are not likely to forget. We know the important part played by the little Japanese force in Peking under Colonel Shiba, and the not less distinguished part taken by the forces under General Yamaguchi in the relief. That I can leave for General Gaselee in his reply. The expedition, complicated by the number of the Allies, succeeded. We did not hear of a failure of any kind. The work speaks for itself. Not only do we, his countrymen, feel proud of the exploits of General Sir Alfred Gaselee on that occasion; the presence here to-day of representatives of all classes of the Japanese Government—of the Central Government, of the provincial and of the municipal government—shows that General Gaselee has been no less successful in winning the goodwill of our Japanese Allies than in securing the grateful recognition of his country. (Cheers.) I beg to propose the toast of our guest, General Sir Alfred Gaselee.

The toast was heartily drunk with musical honours.

General Sir Alfred Gaselee, K.C.B., in response, said—Gentlemen, I feel that after the eloquent speech we have heard it is rather a difficult matter to say anything to express my feelings on this occasion. I can assure you that I feel very deeply the honour you have done to me personally, and more especially to the force I had the honour to command, in the welcome you have given me here to-day, as being the British community—the first, I may mention, that I have met since I left China. I am afraid I cannot take upon myself much that Mr. Hall has been good enough to ascribe to me; but as regards our Japanese colleagues I fully adopt all he has said, and do not think we could have managed the relief of the Peking Legations unless for the ability and energy displayed by our Japanese Allies. (Loud cheers.) The Japanese force that went from this country under General Yamaguchi, with the support of his Chief-of-Staff, General Fukushima, was very fully equipped. I need hardly tell you that the success of the expedition rested not merely on the men, but on the equipment and the way the forces were put in the field. Nothing could exceed the way in which our Allies, the Japanese contingent, were equipped for war. The British force was small, but very well equipped I think; so that between us we were able to show the others the lead. (Cheers.) Our friends of the Japanese Army

were only too anxious to go forward and carry out the work before us. It was a great day for us all when we found ourselves able to relieve the garrisons at Peking, who were in a better condition than we expected. Up to the very moment we got there we were unable to say in what state we should find them. Therefore the tension was very great. I will not detain you any longer except to thank you very heartily and thoroughly in the name of the Army for the very generous reception you have given to us and our work. (Loud and prolonged cheers.)

Mr. Tokonami, who spoke in Japanese, said that the reception given by the Japanese officials and the public generally to Sir Alfred Gasalee was the result of the British and Japanese troops having worked in full harmony side by side in North China in restoring order, and the Japanese therefore welcomed the distinguished guest most heartily and sincerely. He thought, moreover, that the good feeling was not only on account of the satisfaction felt on the part of the Japanese that the British and Japanese troops had worked together so well in North China, as on account that the interests of the two countries in the Orient were identical. He hoped the two countries would co-operate in the future in the same way as they had co-operated in the relief of the Foreign Legations at Peking—in the same spirit and with the same object; for their commercial and political interests in the Far East were identical. In conclusion, the speaker remarked that the Japanese not only welcomed Sir Alfred Gasalee as the commander of the British forces, but also as the commander of the Japanese troops. (Cheers.)

The Chairman said the gathering was met to pay a simple tribute of respect to General Gaselee. They did not attempt to enter into competition in these matters with great ports like Yokohama. (Laughter.) Kobe did all it could, and was very pleased to pay its little tribute of respect. They must remember there was another body beides the Army to which they owed a great deal, and that was the Navy. The Japanese Naval forces, no less than the Military, stood side by side with the British whenever they met. There could be no doubt that if in the future the Powers in the East should unhappily come into conflict, the Japanese Navy would make as good a showing as the Army. They had present that day Captain Burke, the commander of the *Orlando*. He need hardly remind them of the prominent part taken by Captain Burke at the capture of Tientsin, along with the gallant commander of the *Aurora*, Captain Bayly, whom they knew as a boy and who, he dared to say, before his Kobe friends were all quite bald-headed, would be an Admiral of the British Fleet. (Laughter and cheers.) He begged to propose the toast of the British and Japanese navies, coupling with the toast the name of Captain Burke of the *Orlando*.

The toast being drunk with applause, *Captain Burke, C.B.*, said he was proud to be privileged to return thanks for the British Navy, and still prouder when that Navy was mentioned in the same toast with the Japanese Navy, in co-operation with which it had been his honour and pleasure to serve. The *Orlando* was the first ship to arrive at Taku and the last ship to leave. He could bear out General Gaselee as to the cordial co-operation of the Japanese troops. In the capture of the native city at Tientsin the Japanese led the way, accompanied by the British force, which was chiefly composed of naval men. As a mark of appreciation for the service of the Japanese, one of the British Naval officers, who had since been rewarded for his bravery, made the remark when the city fell: "Why, this thing has been done by

the Japanese." He (the speaker) could assure them this was perfectly true. The Japanese were in full front of the attack. For many days they were under a very hot fire, and the Japanese suffered very heavily. They were always ready with their help for the wounded, their medical arrangements being splendid; they had an excellent food supply and, in fact, their organisation was so good that they were always ready to do anything. He could assure those present that he did most fully appreciate the services rendered by the Japanese, and the British did all they could in co-operation with them, though they were handicapped by the paucity of their force. Captain Burke concluded by thanking those present for their very courteous reception and, alluding to the discomforts of the China campaign—which was worse than the fighting, because that was anticipated—said the reception they had received that day had done much to soften and dispel those memories. (Loud cheers.)

The formal proceedings then terminated, the whole of those present adjourning to the front of the hotel, where a photograph of the gathering was taken.

U.S. Legation to Japan

Dec 17. 1902

TELEGRAM RECEIVED.

2WU. P. FD. 29.

DIPLOMATIC
DEC 22 1902
BUREAU.

From Calcutta.

Secretary of State.
DEC 17 1902

December 17th, 1902.

Received 4:11 a.m. M.

Secretary Hay,
Washington.

View personal ignorance an embarrassment conflicting reports Asiatic papers, please cable Bombay confidential information exact nature objection appointment; also what you gave press regarding declination.

Barrett.

MENT OF STATE
9 12 AM 1902
CLERK'S OFFICE
RECEIVED

INDEX BUREAU
DEC 23 1902
FILED

DIPLOMATIC BUREAU
Make inquiry here as to the unreceived telegram. If no result, direct legation to make inquiries.

DEPT OF STATE
JAN 15 1903
2ND ASST SECRETARY

UNITED STATES LEGATION,
TOKIO, JAPAN.

DIPLOMATIC
JAN 15 1903
BUREAU.

No. 708. December 24, 1902.

INDEX BUREAU
RECD.
JAN 15 1903
DEPT. OF STATE

Mr. Ferguson

to the Secretary of State.

INDEX BUREAU
JAN 23 1903
FILED

Subject:

Confirming telegram of same date relating to sending remains of Colonel Buck to the United States.

UNITED STATES LEGATION.
TOKIO, JAPAN.

No. 708. December 24, 1902.

To the Honorable John Hay,
Secretary of State,
Washington, D.C.

Sir:

I have the hohor to confirm the reading of my telegram of to-day's date, as follows:

"Secstate, Washington.

" Minister's remains have been shipped to-day on Korea.

" Ferguson".

Yesterday the remains of the Honorable A.E.Buck, late Chief of this mission,were taken from the United States Naval Hospital, Yokohama, under guard of marines, and placed on board the Pacific Mail steamer "Korea", which sailed for San Francisco at noon to-day; and among the passengers was the widow of the late Minister, accompanied by Major O. E. Wood, Military Attache' of this legation.

I have the honor to be,

Sir,

Your obedient servant,

John M. Ferguson.

This telegram does not appear to have reached the Department.

Wu & Postal
Cd

Have you record of
Cable of Dec 24 or 25
last from Tokyo to
Secretate Wash
Reynold Ferguson ?

S D Office
Jany 16/02

Postal 2.30 p
Wu 2.28 p

TELEGRAM RECEIVED.

From

Jany 16, 1903.

SD Office.

Received M.

See your service We have no record of cable 24" or 25" from Tokio

A.B.S.

Postal Tel Office

WU LL TELEGRAM RECEIVED.

From _____,

Jan 16, 1903.

Received 3 P M.

DD

Your Servic date. We have no record Cable Dec 24 or 25 last from Tokyo to Secy State

Noyes.

WU Tel Co

Jan 16. 1903

UNITED STATES LEGATION.
TOKIO.

DEP'T OF STATE
JAN
28
1903
2ND ASST SECRETARY

DIPLOMATIC BUREAU
Ask by subject & file
asg

DIPLOMATIC
JAN 28 1903
BUREAU.

No. 709.

December 31, 1902.

INDEX BUREAU
REC'D.
JAN
28
1903
DEPT. OF STATE

Mr. Ferguson,

to the Secretary of State.

INDEX BUREAU
JAN 31 1903
FILED

Subject:

Dissolution of the Japanese Diet.

UNITED STATES LEGATION.
TOKIO.

No. 709. December 31, 1902.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

Referring to my despatch No. 705 of the 10th instant, reporting the opening of the 17th session of the Japanese Diet and giving a resume of the general political situation, I have the honor to inform you that, after having been twice prorogued, for a period of five and seven days respectively, the House of Representatives was dissolved by Imperial Rescript on Sunday, December 28th, the House of Peers prorogued in consequence, and, on the 29th, the new elections were set for the first of March next.

The events leading up to the dissolution are as follows:- A collision was precipitated between the Government and the Lower House on the 16th by the rejection, in committee, of the Government's proposals by a majority of 23 to 3. The report of the committee was suddenly introduced into the order of the day, and was the signal for a general attack upon the Cabinet. Before the measure was put to vote, however, a Rescript from the Emperor was received proroguing the Diet for five days.

Attempts were immediately made to bring about a compromise. General Baron Kodama, Governor General of Formosa visited Marquis Ito on behalf of the Government, and Prince Konoye, President of the House of Peers, called upon Mr. Kataoka, President of the Lower House and a leader of the Constitutionalists, on the same errand.

On the 20th the period of prorogation was extended for seven days more. On the morning of Thursday, the 25th,

representative

representatives of the two prominent political parties met the Premier and two members of the Cabinet at the Premier's official residence, at which time it is stated that the Cabinet proposed a compromise on the basis of fixing the rate of the land tax at 3%, postponing part of the public undertakings and effecting the often promised administrative reforms. At general meetings of the two parties held on the afternoon of the same day, attended by Marquis Ito and by Count Okuma, the Government's proposal of compromise was definitely rejected.

The Lower House reassembled at one o'clock on Sunday, the 28th instant. The Premier , Count Katsura, reviewed the position taken by the Government (copy of this speech, in duplicate, is enclosed herewith). After two speeches had been made in opposition to the Government, the closure was moved; but at this juncture, the Imperial Rescript was read, ordering the dissolution of the Lower House.

This struggle has taken place between the Cabinet and the Lower House on well-defined positions,- the Cabinet refusing to disassociate its schemes for naval increment from the continuation of the land tax at a rate higher than desired by the Lower House; and the latter, in turn, though in sympathy and general accord with naval expansion, saw other sources of revenue in administrative retrenchments and postponement of Government undertakings. It has been carried on without expressions of personal animosity, yet the position of the Lower House, during this dead-lock, finds parallels in many countries where parliamentary government is not a firmly established factor in the national life; and the continual resort to Imperial interference to relieve an untenable situation (this Imperial prerogative has been invoked nine times for proroguation and six for dissolution by different Cabinets since 1890) has made

many

many persons in Japan view with anxiety this tendency, seeing in it the danger of lessening the power of the Imperial prerogative under the Constitution, and an unwholesome check upon the expansion of national aspirations as expressed in representative government.

I have the honor to be,

Sir,

Your obedient servant,

John M. Ferguson.

Enclosures:

Duplicate clippings from the Japan Times of December 31, 1902.

Enclosure with Mr. Ferguson's
No. 709 of Dec. 31, 1902

The Japan Times.

TOKYO, TUESDAY, DEC. 30TH, 1902.

DEATH.

By telegram.—[illegible], Beloved Wife of George R. Bothwell.

THE PRIME MINISTER'S SPEECH.

Count Katsura's speech, preceding the dissolution of the House of Representatives on Sunday was as follows:—

"Gentlemen,—I outlined here once before the Government's programme of completing the work of national armament and of developing the economic resources of the people. In view of the fact that this House is about to decide on the Bill for amending the Law of Land Tax, I believe it important that I should once again devote a few words to explaining the reason why the continuation of the present increased rate of the Land Tax is indispensably necessary and ask the members that they should give their closest attention to the matter.

"The Government has never for a day forgotten the task of retrenching its expenditure by effecting reforms in its administration and finances. When drawing up the Budget for the 35th fiscal year the Government carried out a curtailment of 8,000 in the number of officials dismissed and of 2,800,000 yen in the expenditure, and was thereby enabled not only to put in practice the long standing programme of increasing the salaries of the provincial and the lower class officials, but also to leave on hand and available more than 200,000 yen out of the retrenched sum. Furthermore, in last spring the Government instituted enquiries into the business of administration and has since then projected a plan of curtailing the expenditure by about 1,900,000 yen, by amalgamating different government divisions and effecting other reforms. In this way the amount saved by the Government as the result of the two reforms is to total about 4,700,000 yen. I may remark here that in effectively carrying out reforms in the work of the national administration and finances there is also a necessity for extending reforms to the provincial administration and finances. In late years the scope of provincial economics in this country have become very considerably expanded and in some cases the system of local self-government has been rendered difficult owing to the increase in the burdens of the people. For this reason the Government has made a point of enforcing extensive curtailments in this connection. As for further reforms in the provincial disbursements the Government intends to devise proper measures wherewith to make firm the foundation of the system of provincial self-government.

"What has been aimed at by the Government all along (in carrying out or projecting reforms) has not been exclusively to diminish expenditure. The Government's aim has been no less than to make easy the annual accounts of the National Treasury, and to foster the pecuniary resources of the people, thereby to meet the requirement demanded by the progress of time. In order to ease the national finances the Government has considered it necessary to reform the management and to increase the sources of wealth and thereby solidify the basis of the national finances, besides falling back on the reduction of the administrative expenses. On account of this the Government has attempted to adjust the revenue side of the national account by effecting some amendments in the system of the Tobacco Monopoly and the method of collecting the Sake Tax. The Government has done much in adjusting the management of the national properties by enlarging the scope of and perfecting the method of caring and protecting the Government's forests and arable lands. "As regards the fostering of the people's pecuniary resources, the Government attaches the

greatest importance to it. It goes without saying that it is impossible to accomplish this aim by merely relying on the curtailment of the administrative expenses, and the Government believes that it should not hesitate to increase its expenditure, if the object thereof is to launch various undertakings which are needed for developing these resources. Now, in giving full development to these productive undertakings, a great deal will depend on the facilities or the absence of the means of transportation. So arises the need of the railway projects, the accomplishment of which will in the future tend to increase the national income and it is for this reason that the Government has decided on the programme of gradually laying new railroads, and at the same time of improving those already in operation. The object on the other hand of reforming the organs of communication such as the postal, telegraph and telephone services, is to increasingly minister to the convenience of the general public, while it is unquestionable that this will greatly and favourably affect the national economics. The Government has, in consequence, formulated a programme for the reform of the postal business, and the enlargement of the scope of the telephone service, thereby to meet the public requirements and also of extending navigation routes, and constructing light houses, thereby to promote the needs of domestic and international commerce. The improved river works are again necessary for safeguarding the people's properties and for promoting their productive industries, and these works should be completed as speedily as the finances of the country will allow. And the Government has resolved on taking them up in due order, it having drawn up a programme for the purpose.

"Coming to the question of our interests in China and Korea a survey of what are being done in the Far East by the Powers, will show, as we believe, that their extension is the most urgent of all the urgent businesses that this country must attend to. That is why the Government has decided on a plan of establishing a Japanese monetary organ in China, and of taking in hand other projects in that country as well as in Korea.

"That the commercial and industrial development of a country must need advance in company with the progress of its education is plain as the commercial and industrial history of all countries prove, and the Government having carried out enquiries into our educational system, has adopted a policy of greatly encouraging the polytechnic branch of education.

"Then as regards the plan of improving and constructing harbours with necessary accommodations in order to facilitate commerce, of enforcing stricter supervision on banks, in order to increase the credit of monetary organs, of encouraging the custom of saving in order to disseminate the worthy habit of thrifty living, of effecting reforms in industrial administration in order to promote the industries of the country, of enlarging the scope of mining administration in order to protect the mine resources, of enlarging also the scope of the patent system in order to encourage useful inventions, these plans are every one of them for fostering and developing the resources of the people.

"In order to make the finances easy and to carry out the plans above mentioned of developing the people's resources, the establishment of organs suiting the degree in which they are needed, is of course necessary. Such being the case in carrying out its administrative reforms the Government has in some instances introduced improvements as well as an extension of business, where the manner of doing work was judged to be unsuited to the demands of the time. Nor has the Government confined itself to reforming the organs of administration; it has carried its zeal into the judiciary organ as well. In the latter respect the Government has effected reforms which the increase in the number of cases of litigation requires, so as to prevent the delay in judgment and ensure the rights of the litigants by simplifying and expediting the procedures."

(To be Continued.)

The Japan Times.

TOKYO, WEDNESDAY, DEC. 31ST, 1902.

THE PRIME MINISTER'S SPEECH.

(Concluded from Yesterday.)

"The expenditures attendant on carrying out these administrative and judiciary reforms have not of course been small; but the Government following the policy of retrenching on things dispensable and applying the savings thus effected for useful purposes, has appropriated the surplus to the enlargement of the scope of the work of necessary organs of state. As the result of putting this policy into practice the Government has effected a contraction of 570,000 yen (in the Budget now before the House) as compared with the current Budget. In other words even after subtracting the amounts applied for necessary purposes from 4,700,000 yen saved in the two fiscal years, 35th and 36th, the Government can show an actual retrenchment of 800,000 yen. But in prosecuting various plans deemed necessary for bringing about the development of the national power and the growth of the people's resources, the Government does not regard the reforms of administrative organs as alone sufficient. At the same time that it has endeavoured to make the revenue keep balance with the expenditure, it has adopted a scheme of adjusting the disbursement connected with the undertakings to be carried out by public loans, and also of equalising as far as possible the annual outlays on its public works, both with a desire of making the national finances harmonize with the economic condition of the people.

"Early in the present speaker's tenure of office when the Government deliberated on the system of executing by means of public loans the undertaking apportioned for the 34th fiscal year, the monetary condition both at home and abroad was such as not to permit of the floatation of a loan. In consequence of this the Government resorted to the plan of making its Deposit Department buy up the bonds to be so issued on the one hand and effected a large retrenchment or postponement on the general expenditure account, on the other, thereby securing a steady progress of the undertakings. In September of this year the Government having sold some of its bonds, the proceeds thereof enabled it to meet the loans which were to have been subscribed to before and had not been done so since the 34th fiscal year, and thus to settle completely the account of all the prescribed undertaking expenditure fund. As regard the 35th as well as 36th fiscal year the Government has also considered that, to issue a large amount of bonds at home in order to obtain funds for carrying out the works to be executed by means of public loans, would be to disturb the monetary condition of the country which has begun to recover its normal course and would result in once more precipitating the country into general depression. As for seeking loans in foreign markets in the above connection, the Government considered this as prejudicial to the credit of the nation which had steadily been in the ascendant, besides it feared that such a scheme would otherwise affect unfavourably the national economics. For these reasons the Government has enlarged on the plan of avoiding the loan policy by meeting all expenditures out of the ordinary revenue, the Formosan Special Comptabilité excepted. Then the present Government which succeeded its predecessor at the time when the post-bellum programme had greatly expanded the scope of the different undertakings and had consequently brought on a demoralization of the economic would of the country, has been specially painstaking in its efforts to devise a plan of equalizing the annual disbursements for undertaking purposes. When drawing up the Budget both for the 35th and 36th years, the Government effected an extensive postponement in the expenditure for the construction of railways and other works. And with regard to the present disbursements which the Government asks for carrying out river works and the construction of railways and telephones, it has also endeavoured to equalize the amount of the annual outlays, so as to secure the balancing of the two sides of the national account and to make the Government undertakings proceed at a rate in keeping with the economical progress of the

people. Fortunately the economic world of Japan has recently shown signs of returning activity, while we note in our foreign trade a favourable tendency toward the ultimate balancing of imports and exports. And among monetary organs, too, things are beginning to look brighter as the result of reforms effected in their management. These are the facts with which the present speaker as well as you, gentlemen, cannot fail to be pleased.

"I now venture to think that what I have already stated at length has convinced the House that the aim of the Government in carrying out its administrative and financial reforms is not confined to a reduction of its expenditures, but that it aspires to something much greater and higher. I also venture to think that the House has become convinced of the fact that the naval programme of expansion must need depend on the land tax, the revenue from other sources being all taken for other purposes. You all know, gentlemen, that the completion of the national armament and the economical progress of the people are two things inseparably intertwined with each other. With either one of the two lacking, the country is bound to fall behind in the progress of the world with the result that it will run counter to the universal tendency of the times. For the last thirty and odd years since the Restoration this country has adhered steadily to the policy of progress which is well defined and unalterable. Those in power have changed in their person from time to time but in its policy the Government has never swerved from the one aim just mentioned. If this has been so in the past it must be increasingly so in the future seeing that as the result of the events that occurred in the years of Meiji 27-28 (1894-5) our Empire has greatly increased its prestige abroad, thereby engendering the necessity of providing for the national and international exigencies that the progress of time bring forth, and the Government has irrefutably committed itself to the opinion that our state policy for the future must not be one of retrogression. The naval augmentation will necessitate a new annual appropriation of twelve million yen. Supposing curtailments are effected in other branches of expenditure, how will it be possible to meet this large disbursement with the savings so obtained, and without seeking some new source of receipt? I believe it is acting in opposition to the national policy of progress and development, to try to obtain the necessary funds for the naval expansion, from other sources, even by stopping the prescribed undertakings and even also by neglecting the necessary portion of the state business.

"Gentlemen, at this moment when the whole nation is urgently called upon to unite in its endeavours to contribute towards and help on the progressive career of the state, the Government has considered it ill-advised to allow its differences with the Diet to interfere with the progress of the state business and knowing that a compromise is in consonance with the principles of our constitutional politics, the Government has attempted to open negotiations (with the Lower House) by altering its original resolution and also making the greatest possible curtailments. The Government deeply regrets therefore to find as it has found, that the majority of the members are firm in their determination and not in the least inclined to make any concession, thus having no room for a compromise. I believe that the majority of you, Gentlemen, recognise the necessity of the proposed naval augmentation. In spite of this fact you have produced not one definite programme as regards obtaining the funds necessary for this augmentation. The Government firmly refuses to agree with an attempt to reject the land tax proposal, before deliberating on the financial programme which is indispensable in carrying on its business. I earnestly hope that you, gentlemen, shall support the Government in its endeavour to reach the high aim which it has placed before it."

U.S. Legation to Japan

282.

TELEGRAM RECEIVED IN CIPHER.

DIPLOMATIC
JAN 10 1903
BUREAU.

Postal. 2NY.SJ.FD. 30 Paid Nite. From Chicago, Ills., 6. Jan. 7th, 1902

Rec'd Jan. 10

The Hon. John Hay,
Secretary of State, Washington D.C.

My leave is benefitting me so greatly that I venture to request fifteen days more, counting from the first instant; provided of course that there is no objection whatever. Respectfully.

Huntington Wilson.

Rec'd 7:48 a.m.
Jan. 7th, 1902.

OF STATE
24 AM 1903
'S OFFICE
VED

INDEX BUREAU
JAN 13 1903
FILED

phered by

UNITED STATES LEGATION.
TOKIO.

BUREAU
FEB 14 1903
BUREAU.

No. 710

January 19, 1903.

Loked and
To Hon. H. C. Lodge,
Feb 16, 1903
Q.
File P

Mr. Ferguson

to the Secretary of State.

Subject:

Decision of Supreme Court of Japan in Lake Case.

INDEX BUREAU
FEB 19 1903
FILED

UNITED STATES LEGATION.
TOKIO.

No. 710 January 19, 1903.

To the Honorable John Hay,
Secretary of State,
Washington.

Sir:

Referring to the Department's instruction No. 409 of May 26, last, and to Mr. Buck's dispatch No. 662 of July 10, last, in reply thereto, in regard to the litigation in Japan through which the heirs of George W. Lake have sought to obtain possession of certain land in Nagasaki, I have the honor to enclose herewith a translation of the decision of the Supreme Court of Japan, handed down on the 29th of October last, accompanied by copy of a letter to me from N. W. McIvor, Esquire, attorney for the heirs; and, in compliance with the Department's instruction, to report that the heirs of Lake have exhausted the ordinary means of redress afforded by the laws of Japan.

I have the honor to be,
Sir,
Your obedient servant,

John M. Ferguson.

Enclosures:

1. Copy of decision in Lake Case.
2. Copy of letter from Mr. McIvor to Mr. Ferguson.

-8

Encl. No. 1. with Mr. Ferguson's
No. 710 of January 19, 1903.

TRANSLATION

To the Supreme Court.

Petition of Revision
by
Frederick B. Lake of Nagasaki.

Demandant: F. B. Lake.
Demandant's Process Attorney: Sato Hakuai,
Barrister-at-law.
Repliant: Nagasaki Ken.
Repliant's Representative: Arakawa Yoshitaro,
Governor of Nagasaki Ken.

Designation of the Judgement against which this demand for revision is lodged:
The Judgement rendered in Second Instance on 3rd February 1903 by the Appeal Court of Nagasaki in the case pending between the above mentioned parties relating to recovery of a perpetual lease, to the effect that the Appeal is rejected and the costs of Court should be borne by the Appellant.
The above Judgement has been served to the Appellant on the 18th February 1903.

Declaration that this demand for revision is lodged against the above Judgement, and as to how far the same is attacked:
The Demandant attacks the whole of the Judgement, and applies for its full annulment.

The grounds on which this demand for revision is based:
As the matter in dispute is so extremely complicated, it will be necessary to state here a brief history of the case in order to render the reasons for this Demand as distinct as possible.

Upon agreement with the Repliant, the father, now deceased, of the Demandant had established and acquired a perpetual lease on the land, covering 765 tsubo, at Aza Sagarimatsu, Kosono Machi, Nagasaki, for the purpose of building a ship yard and a rice mill on the same ground; and since then these were known as the Aza Kosono Machi Ship Yard and Rice Mill.

The said track of land had been originally owned by a certain person, named Kosone, and on this same land the above mentioned perpetual lease had been established by the Repliant for the benefit of the Demandant's father. At the same time, however, the Repliant had neglected to compensate the aforesaid Kosone for the land; hence said Kosone made complaints to the Repliant unceasingly for several years of the latter's wilful negligence to pay him back for the said land, of which the former was the actual owner. Incidentally in April 1894 the Demandant's father had to be deported from this country, and the Repliant Governor and other officials of the Kencho, taking advantage of this opportunity, preferred a step by which the Repliant could make good said Kosone's claim. The Repliant, being desirous of returning said track to said Kosone instead of paying him for its value, tried to confiscate somehow the said perpetual lease of which the Demandant's father had right to hold under the agreement made by him with the Repliant. Therefore, when Edward Lake, with whom the Demandant's father left trust of his property, tendered the land rent to the Repliant the latter refused to accept it for some obscure reasons; thus the Repliant refusing, on one hand, to receive the rent, gave notice on the other to the American Consul, who has had no obligation whatever to pay the said rent to the Repliant, to the effect that said track and buildings must be turned over to the Government if the rent in question be not tendered before 31st July of the same year, 1894. By misapplication of the official function of a consul the American Consul cancelled the said title of the Demandant's father; but later on the said Consul did withdraw his cancellation in compliance with the order of his senior officer, American Minister; and the same had been duly notified to the Repliant.

Notwithstanding the above stated fact, the Repliant Governor of Nagasaki took possession of the said track and delivered it to the original owner instead of paying the latter for its value.

The object of the present petition is to claim by the aforesaid reason against the Repliant for recovery of a sum of Yen 22,000., the same being the value of the said perpetual lease, to which the Demandant's father had been entitled under the said agreement, and which was most unlawfully confiscated by the Repliant Governor.

The following points are quoted in the Judgement of the Appeal Court and also in the abstract from the Judgement of First Instance Quoted in the first mentioned Judgement, which are not disputed between the parties in controversy:-

(1) That the Repliant conferred on the Demandant's father a perpetual lease on the land covering 765 tsubo, located at Kosono Machi, Nagasaki, and on which the ship yard and rice mill had been built;

(2) That the Demandant's father had been deported from this country during the year of 1894;

(3) That in the course of the year of 1894 the Repliant had induced the American Consul to declare the said lease in perpetuity [void] on the ground that the Demandant's father had failed to tender the land rent to the Repliant; and that later on this act of the Consul had been withdrawn by the order of the Minister of U. S. A. and the Repliant had been duly notified to the same effect.

The grounds on which the present Petition is based are as follows:-

(1) A perpetual lease is a kind of the real property to be established only on the Government land, and its nature much resembles to the right of superficies, the merit it derives being equal to that of the right of ownership. Thus, it will be clearly seen that a lease in perpetuity can not be argued by the principle of hiring and letting to hire, which is none but a matter of credit. In Exhibit 4 B, it is stated that in case of default of the rent or otherwise this title should be cancelled and the buildings on the land should be confiscated by the Japanese Authorities. This clause was a sanction provided for the lease holder's wilful negligence to perform his duties, and the same should not be construed by the aforesaid principle as a

tion provided for a recission of contract.
That a perpetual lease, in its nature and merit, is akin to a right of ownership and not a matter of credit can be duly explained by th the words expressed in the above sanction, that is "in case of default of the rent, the title be cancelled and the buildings on the land ~~xxx~~ be confiscated by the Japanese Authorities." The said buildings were elected by the leaseholder, and not owned by the Authorities; so the confiscation of these buildings by the Authorities can not be called a result of the recission of contract.
And again there is "This title should be cancelled", in which it is no doubt meant a penalty (confiscation) provided for any wilful negligence on the part of the leaseholder, and not meant a recission of any matter of credit.

First of all, previous to the New Treaties' coming into force any confiscation of a foreigner's property by the Authorities could be effected only through the decision of a Consular Court. In those days every Treaty Power could exercise her own jurisdiction within the Empire of Japan. As to what matters its jurisdiction extended we are able to see distinctly in Article 16 of the Austrian Treaty of 1869, in which it is set forth that "If a Japanese subject has a complaint or grievance against a citizen of the said Monarchy, the caseshall be decided by the Imperial and Royal Authorities, and should any Austro-Hungarian citizen fraudulently ~~xxxxx~~ abscond or fail to discharge debts incurred by him to a Japanese subject, the Imperial and Royal Authorities will do their utmost to bring him to justice, and to enforce recovery of the debts.

A citizen of the United States of America was entitled, beyond any doubt, to enjoy the same privileges and liberties granted to an Austro-Hungarian citizen, according to Article 9- the Most Favored Nation Clause- of the Treaty between Japan and the United States of America, signed at Kanagawa March 31st 1854. The office of an American Consul and that of an American Consular Court were distinctly defined as two different things. Article 4 of the Convention between the United States and Japan states " Americans committing offences ~~xxxxxxxxxxxxxx~~ in Japan shall be tried by the American Consul-General or Consul, and shall be punished according to American laws. Japanese committing offences against Americans shall be tried by the Japanese Authorities, and punished according

to Japanese laws". But this was in contravention of the Constitution of the United States, which provides that all the citizens of the United States shall be only tried by the Judges and Jury consisting of 12 men. So in the Treaty of 1858 it was expressly mentioned that " Americans committing offences against Japanese shall be tried in American Consular Courts, and when found guilty shall be punished according to American law. Japanese committing offences against Americans shall be tried by the Japanese Authorities, and punished according to Japanese law. The Consular ~~Court~~ Courts shall be open to Japanese creditors, to enable them to recover their just claims against American Citizens, and the Japanese Courts shall in likewise manner be open to American citizens for the recovery of their just claims against Japanese.

To carry out into full effect the Provisions of this Treaty, h the American Congress, in the year 1869, passed a law investing Ministers and Consuls with judicial authority, defined their jurisdiction and prescribed rules by which they should be governed in the administration of justice. This law and acts supplemental thereto are now embodied in Title 47 of the Revised Statutes of the United States.

The Treaty Powers had exercised their respective jurisdiction within the Empire solely for mutual benefits. That the Empire had preferred not to bring the foreigners within the limit of our own jurisdiction is something like the idea entertained by the ancient Romans that they shall not treat the Foreigners by their own precious laws.

The jurisdictions of the Treaty Powers had been exercised within the Empire under the friendly approval of His Majesty the Emperor, and it being so, were not, in legal sense, in contravention of the Sovereign Power. Therefore, as American law relating to the organization of the Consular Courts had been exercised within the Empire, under the Imperial auspices, as a Japanese law. This law must be, under the same ground, recognizzd by our Courts just as good as the origin of this law, the said American Treaty.

Now, in order to confiscate the Demandant's right on real property, the Repliant Governor should have had communicated to the American Consular Court, and not to the Consul, as he did; and the

Consular Court should have examined and tried the said litigants according to the American laws. But instead of acting on behalf of the Consular Court and without paying a slightest regard to the practice of the said Court, the Consul had cancelled the Demandant's title deed upon the former's receipt of the said communication from the Repliant Governor. This was indeed an utter violation of Justice; but this unlawful act of the Consul was, as a matter of course, cancelled by his senior officer, the U. S. Minister, whose Court ranks higher than the Consul's. This withdrawal of the Consul's had been duly notified to the Repliant

All those are expressed in the Judgement of First Instance and are quoted by the Judgement rendered in Second Instance; and so there can never be any dispute between the said Litigants as to that the Title Deed in Question had been firstly cancelled by the said Consul, and secondly his unlawful act had been cancelled by the U. S. Minister, and lastly the withdrawal of the Consul's act had been duly notified to the Repliant Governor of Nagasaki.

In fact the claim of the Repliant to confiscate the said title deed together with the buildings had been ultimately dismissed by the order of the American Minister; therefore, the Demandant should have had possessed and enjoyed the said perpetual lease in question.

The Court of Second Instance has overlooked the foregoing facts, and delivered the Judgement in favor of the unlawful act of the Repliant who has had no right whatsoever to confiscate any property belonging to a citizen of the United States. So the Demandant repeats that the said Judgement of Second Instance is in violation of Justice.

(2) It is stated in the above Judgement that as the statements of facts by the both Litigants are same to those expressed in the Judgment of First Instance, the Court Quotes the same facts. The following are the facts quoted as protests by the Repliant in the Judgement rendered in First Instance:-

A perpetual lease had been granted by the Repliant to the Demandant's father, and the rent had to be tendered in advance, and the same title had to be cancelled upon default of the said rent. Eventually in 1894 the Demandant's father had to be deported from this country; and he had left no custodian over the said track of land; and furthermore the rent for the said year of 1894 had not been tendered to the Repliant. Upon this the Repliant communicated to and requested of the American Consul to declare the cancellation of the said Per-

petual Lease. The Consul did so, and the Repliant confiscated the said property, and delivered the same to its original owner. Therefore, the Demandant's claim is without ground. To put it shortly, it is only mentioned that the Repliant confiscated the said property, acting upon the declaration of the American Consul, and therefore what the Repliant did is lawful. (unlawful?)

Against this the Demandant protested that the said declaration of the Consul was null and void after the same had been withdrawn by the same Consul in Obeyance to the order of the Minister; and therefore, the point at issue should have been whether the said cancellation by the Consul of the Title was valid or not, from the legal standpoint of view, and not should have been whether there were any default on the part of the Demandant to tender the rent or not; and except this there are no independent means to be adduced in support of the Defence.

The Court of Second Instance did not look the above point at issue in its proper light, and delivered the decision if favor of the Repliant on the ground that the land rent had not been tendered by the Demandant at the due date. That the ground rent had not been tendered when it became due is only a statement of fact, by which the Repliant requested the Consul to cancel the said title; the Court should not have based its decision on this ground. Therefore, the said Judgement is in contravention of both Articles 230 and 231 of the Code of Civil Procedure, in which there are the following provisions:-

Article 230: The judgement shall embrace all the means of attack and defence brought forward at the proceedings.

Article 231: The Court is not empowered to accord to a party any thing which has not been applied for.

3) The Court of Second Instance took up Exhibit 4 B and interpreted its part relating to the due date of the rent as follows:-

> The due date of the rent mentioned in this Exhibit shall should comply with Article 6 of the Nagasaki Land Regulations, that is, all the rents of the land rented by the foreigners within the foreign settlement should be tendered on the 30th of December

of each year in advance of each following year.

This interpretation of the said Regulation by the Court is not correct; it was misconstrued by a mere hypothesis of the Court. In fact, the said Regulation came out into force as the result of the Conventions held between the Nagasaki Bugyo and the then resident Consuls of the Seven Powers on the 29th September 1860 for the purpose of fixing the limit of the foreign settlement and dividing up the same for letting it to the foreigners, and also as to the supplementary rules for the police administration within the Settlement.

Therefore, it is evident that the said rules are not applicable to the land in question in the present case, which had been leased to the Demandant at outside of the foreign settlement in the year of 1888. The Court of Second Instance had misconceived these Rules and did not recognize the true intentions of the Litigants.

As regards the words "term of one year" in the Judgement, the Court must have meant "a fiscal year" , as it concerns the due date of the rent. Now, the Court must duly recognize that there was no"fiscal year" in this country before the Restoration, as our history proves. In spite of this established fact, the Court interpreted the word "Mayehiro" as "Before the Fiscal year" by quoting the Nagasaki Land Regulation of 1860; thus, the word was not explained by its true sense, consequently the said Decision was not accompanied by reasoning.

(4) Supposing, for the sake of reasoning, that the perpetual lease is also a matter of credit, the nature of which is like that of hiring and letting to hire, we shall still confront with the fact that previous to the Civil Code's coming into force any rescission of contract could have been only effected by applying to a Court, as it is evidently shown in the precedents of the Supreme Court. Now, take the present case for instance; Suppose that the contract was to be rescinded upon default of the rent, even then the Repliant could not have exercisedhis right of rescission unless he has applied to the American Consular Court to that effect. This is very obvious enough.

Therefore, even if we suppose that

the present lease in perpetuity was also a matter of credit, it has never been cancelled because the Repliant did not take a slight est trouble to duly exercise his right of rescission-- to apply to the American Consular Court. Not only this, but also the Repliant did not express his intention to rescind the contract against the Demandant.

Against these plain facts, the Court of Second Instance ~~desire~~ declared, in violation of law, that the lease in question has ceased to exist upon default of the rent.

(5) Even if it had been agreed by the Litigants that the rent for the each following year had to be paid in advance, a pay-bill must have been issued by the Authorities (the Repliant) at a certain date, or a notice must have been given to the same effect, no matter whether it was a tax or a rent. An obligor can not be held responsible unless the same bill or notice has been issued to him beforehand by the Authorities. In the prsent case, if the Demandant had to stand responsible for the alleged default of the rent, it should have sufficiently (seen) proved by the Repliant that the said bill had been issued to the Demandant; and also the same should have been served to the latter. In the present case, however, nothing has been proved to that effect by the Repliant. The Court of Second Instance recognized the fact that the Repliant had issued the said bill by taking up Exhibit 3 B in which there is the following part:- "Kindly return the Pay-bill to the Kancho which has been served some time ago."

Now, the above Exhibit is none but a letter from the Repliant to the American Consul, and the pay-bill mentioned in the said letter had been served to the Consul and not to the Demandant; and so the validity of the bill thus served can not be so binding as that of the one, if it had been served , to the Demandant. Therefore, if there were no proofs as to the service of the bill to the Demandant or his relatives or employees, there should be no reason to hold the Demandant responsible for default of the rent.

The Court of Second Instance lacks sufficient reasons in hastily concluding by this Exhibit that the Demandant has wilfully neglected to tender the rent.

L 6) The Demandant insisted that as the Repliant refused to accept the rent, when same was tendered by Edward Lake, the Demandant's uncle, the Demandant was not to be held responsible for the consequences incurred thereby.

But the Court of Second Instance rejected this on the conclusion that Exhibits Nos. 1, 2, & 5 produced by the Demandant and also the statements of witnesses are not sufficient to prove that the rent had been tendered to the Repliant by said Edward Lake on behalf of the Demandant before the 31st July 1894.

It is not explained, however, by the Court why so many evidences are not sufficient to corroborate the Demandant's insistence.

A documentary evidence shall not be admitted in such instances as follows:-

The truth of its origin can not be certified;
The facts stated in it bear no connection whatever with the points at issue;
The facts stated are not credible.

A witness shall not be admitted in such instances as follows:-

In such a case where his relation or connection with the Litigants precludes him from standing as a witness;
When his statements are not rendered credible;
When his statements bear no direct importance upon the matter in dispute, such as by hearsay, although he may be duly qualified as a witness and what he states is credible.

The Court of Second Instance rejected the aforesaid Exhibits and the statements of witnesses on a mere conclusion that they were not sufficient to prove that the rent had been tendered by Edward Lake, and did not give any sound reason on which the above conclusion should have based; therefore, it is evident that the said Judgement is not accompanied by reasons. Moreover, Yanaguchi Naoji, of the Land Office of the Repliant Kanaho, appeared before the Court (This was a very remarkable thing in view of his connection with the Repliant), and stated that said Edward Lake had tendered the rent several times before the Demand

led the title; and this statement was also rejected by the Court without any explanation whatever. Such a hasty conclusion on the part of the Court would reflect upon the dignity of the administration of justice to a lamentable degree.

(7) The Court says "Even if it was a face that said Edward Lake had tendered the rent before 31st July 1894, the Repliant is in no way obliged to accept the rent tendered by said Edward Lake, as it is stated in the said title deed that "The rent shall be paid by George W. Lake or those who pay all the charges on his behalf"; the Court Further declares "We cannot interpret this Clause to mean that any one who tenders the rent in his behalf is entitled to the continuance of the said title; therefore, that Edward Lake had tendered the rent, even if it was a fact, would not make the default good."

We will see that the Court is in a violation of justice in a twofold manner: Firstly, according to the English version of the said title, it is mentioned that said George W. Lake, his heirs, executors, assignees, should tender 37 Dollars in Mexican silver to the Repliant as the rent on each 100 taubo of the said track, and so and so. From this, it can be seen that the said deed specifies the agreement made between the Repliant and the Demandant as to the sum to be tendered as the rent, and that it was not the question who should tender the land rent; and moreover, the duty to tender the rent should be on the part of the lease holder or his successors; and by the same reason, there will be no duty to pay the rent for any person or persons who are not interested in the property. Therefore, there can be no ground whatever for existence of such an unnecessary agreement as to designate any person or persons for the purpose of tendering the rent.

At the same time, however, there will be no obligation binding a leaseholder or his successors or executors to personally tender any rent; they may let any one tender it at his or their own pleasures; or they may ratify in case of the rents having been paid by third parties. The misinterpretation of the said Clause by the Court to the effect that a representative or others are not allowed to tender the rent in behalf of the said leaseholder is in contravention of law.

Adding to this, ~~Previously~~ the Court of Second Instance concluded, as per that

the Judgement, the perpetual lease in the present case had been established according to the Nagasaki Land Regulation. Now, the said Clause in the title deed was in conformity with the form of lease mentioned in the Supplementary Acts of the said Regulation, and we do not see any of such an injustice mentioned in the above Acts as to preclude a representative or others from tendering the rent on behalf of the leaseholder. The Court Of Second Instance rendered the Decision in violation of the said Land Regulation which the Japanese as well as the foreigners had to abide.

Secondly, In a case where the performance of an obligation shall be thoroughly effected by paying with ready money, any person may tender the payment, and it will be next to none that a power of attorney be required to qualify the person who tenders the payment. Such a process is not only against customs, but also is utterly unnecessary. It is a common and daily occurrence with the most people to tender payment against taxes or duties through the agency of their servants or friends or by such due means to the Authorities; and in such cases, the Authorities never investigate as to their qualifications for tendering such payments. The case will be, of course, different where a person was to receive payment on behalf of others.

It is a customary law, based upon the long established usages, to recognize any person who tenders payment in behalf of some one as the representative of the obligor. Therefore, in a case where a creditor refuses to accept payment from a person who tenders payment to him on behalf of the debtor, on the ground that the said person has no power of attorney from the said debtor, the said creditor is, of course, to be held responsible for the default of payment.

As said Edward Lake acknowledged that he did tender the rent on behalf of the Demandant, it must have been duly admitted that the former was the true representative of the latter; and furthermore, even if said Edward Lake had tendered it voluntarily by assuming the management of the Demandant's affairs, the Repliant should have accepted it, because it had been a lawful tender. The distination between an authorization and a voluntary management of affairs is a matter between the first party and the authorized or voluntary manager, but there is no such distinction against a third party.

Therefore, so long as the nature of an obligation is such

as may be performed by any person, the creditor can not refuse to accept the tender from a manager of affairs acting in good faith, because it should be taken for granted that a management of affairs is mostly effectly for the benefit of the party (principal), and shall be deemed acceptable by the latter.

In the present case, even if it be supposed that an authorization had not been given to the said Edward Lake, his tender had been lawfully qualified by the principle of management of affairs. The Court of Second Instance concluded that Edward Lake did not tender the rent in an official manner, and delivered judgement thereupon in violation of justice, customary law, and the principle of management of affairs.

(8) New Exhibit No. 6 A is a power of attorney made by the Demandant's father in the 4th year of Meiji when he had to be deported from Japan, by which said Edward Lake had been entrusted with the custody of the Demandant's property; and said Edward Lake kept it in continuance until the 27th year of Meiji (1894), when the Demandant's father had again to be deported. Therefore, in order to make it thoroughly effective, the Demandant's father reindorsed on the back of the above mentioned power of attorney, giving date thereon. The object of this testimony was to prove that said Edward Lake did tender the rent acting under this power of attorney reindorsed by the Demandant's father when he had to leave this country in 1896. The Court recognised the existence of this testimony, and also admitted that it was credible; and then, after comparing it with Exhibit No. 9 B, the Court used the same for the purpose of proving the insistence of the Repliant to the effect that the Demandant's father left no custodian when he left Japan in the year 1894. Thus again, the Court rendered the decision against law in a twofold degree: Firstly, the Court accorded to the Repliant evidence which was not presented nor quoted by the Repliant, and this is against the provisions of Article 231 of the Code of Civil Procedure; Secondly, the Court did not look into whether the new date and signature written by the Demandant's father on the back of the said power of attorney was to render the authorization more efficient and distinct, or not; in other words, the Court gave no explanation whatever as to the main points quoted and contended by the Demandant; thus, the Judgement

is not accompanied by reasons.

(9) An official document can not be acknowledged as such unless it has been officially executed by the Authorities, or unless there are symbols which could indicate the official execution of such a document. Nothing of an official document can be seen in Exhibit No.9 B, which bears the signature of a certain ,and there is no symbol to indicate its official execution.

The Court, however, came to the hasty surmise that said Exhibit is an official document from the American Consul. The ground for this surmise is that the said paper has the official headings. But this does not hold good at all, because it is not the paper with printed headings that gives the writings on it a legal force, but writings on any sheet of paper expressing the official capacity, or with an official symbol of its execution, can be acknowledged as an official document. To put it more plainly, writings even on an official paper can not be acknowledged as official unless it bears the expression of an official capacity, or with some signs showing its execution.

(10) The Court not only admitted Exhibit No. 9 B as the official document on the ground that it was written on the official paper, but also admitted it as a true official letter from the said Consul to the repliant, by referring to the statement of the witness Yamaguchi Naoji. The Court aditted the existence of Exhibits Nos.1B and 3B, and also recognized that the American Consul at that time was W. H. Abercrombie, as quoted in the Judgment, because these Exhibits were the official letters from the Repliant (the then Governor Ohmori) to the American Consul W. H. Abercrombie. In spite of these facts, the Court, by taking up the statement of witness Yamaguchi Naoji, recognized a certain , who signed on Exhibit No. 9 B, as the American Consul. In admitting two contradictory facts, as the Court did in this conjuncture, the decision should be deemed to lack sound reasons.

All the foreign consuls may assume their offices and exercise their authorities within the Empire only upon the august recognition of His Majesty the Emperor of Japan; it being so, the Court of Second Instance of Nagasaki ought to know, without proofs

is not accompanied by reasons.

(9) An official document can not be acknowledged as such unless it has been officially executed by the Authorities, or unless there are symbols which could indicate the official execution of such a document. Nothing of an official document can be seen in Exhibit No.9 B, which bears the signature of a certain , and there is no symbol to indicate its official execution.

The Court, however, came to the hasty surmise that said Exhibit is an official document from the American Consul. The ground for this surmise is that the said paper has the official headings. But this does not hold good at all, because it is not the paper with printed headings that gives the writings on it a legal force, but writings on any sheet of paper expressing the official capacity, or with an official symbol of its execution, can be acknowledged as an official document. To put it more plainly, writings even on an official paper can not be acknowledged as official unless it bears the expression of an official capacity, or with some signs showing its execution.

(10) The Court not only admitted Exhibit No. 9 B as the official document on the ground that it was written on the official paper, but also admitted it as a true official letter from the said Consul to the repliant, by referring to the statement of the witness Yamaguchi Naoji. The Court admitted the existence of Exhibits Nos.1B and 3B, and also recognized that the American Consul at that time was W. H. Abercrombie, as quoted in the judgment, because these Exhibits were the official letters from the Repliant (the then Governor Ohnori) to the American Consul W. H. Abercrombie. In spite of these facts, the Court, by taking up the statement of witness Yamaguchi Naoji, recognized a certain , who signed on Exhibit No. 9 B, as the American Consul. In admitting two contradictory facts, as the Court did in this conjuncture, the decision should be deemed to lack sound reasons.

All the foreign consuls may assume their offices and exercise their authorities within the Empire only upon the august recognition of His Majesty the Emperor of Japan; it being so, the Court of Second Instance of Nagasaki ought to know, without proofs

of the Litigants, who was the American Consul Consul at Nagasaki for the time being just as well as who was the then Governor of Nagasaki Ken. In Article 218 of the Code of Civil Proceedure, it is provided that facts which are notorious to the Court require no proof. This is what is termed "Judicial recognition" by the prominent Authorities on Evidence. The Court should have recognized that the American Consul for the time being was W. H. Abercrombie; and as this is not a recognition of facts to be based on evidence, the Court of Revision (Supreme Court) should annul the Judgement of Second Instance by the same "judicial recognition". The provision of the Code that "the facts to be considered for the purpose of the decision of the Court of Revision are those upon which the Court of Appeal based its decision" can not be applied to the present case.

The said certain who signed on Exhibit 9 B was never acknowledged or approved as the American Consul or as one who assumes the consular office. Such a person could never exercise a consul's function. The Court, has however, admitted the alleged fact which could not lawfully be recognized, by referring to the statement of Yamaguchi Naoji. Therefore, there can be no doubt about its being an unlawful recognition.

(11) The land, the subject matter of the said perpetual lease in question, was originally owned by a certain Kosone, and the Repliant had established a perpetual lease on this track of land for the benefit of the Demandant's father, without compensating the said Kosone for the said track of land. Therefore, the Repliant assumed the position of the land owner towards the Demandant; but as it stood between the Repliant and the original owner, the Repliant was not the lawful owner of the land. This fact is so strongly established that there is no dispute as to same between the Litigants, as it could be seen in the statement of the Demandand (the then Plaintiff) which is quoted in the Judgement of First Instance as follows):-

" As the Defendant confiscated the said land from the Plaintiff and delivered it back to its original owner, the Plaintiff claims from the Defendant for the Sum of Yen ¥21,000.00, the same being the value of the said perpetual lease;"

In the statement of the Repliant (the then Defendant) it is mentioned

In the statement of the Repliant (the then Defendant) it is mentioned as follows:-

"Upon default of the rent by the Plaintiff, the Defendant communicated to the American Consul; and the said track of land had been confiscated from the Plaintiff and been delivered to the original owner, after the said title deed had been cancelled by the Consul. Therefore, the Plaintiff's claim is without ground."

These statements are also quoted in the Judgement of Second Instance. From this it can be seen that the Repliant had confessed that there was an owner of the said land in question other than the Repliant himself. Without taking any adequate step to purchase the land from its original owner, the Repliant established the lease in perpetuity on the said track of land of which he was not the owner; hence came the natural result to the effect that the Repliant could not perform his obligation to let the Demandant enjoy the said lease in perpetuity.

The fact that is bound to bring this natural consequence is acknowledged in the Judgement of Second Instance, and is also one of the principle causes to institute the present Demand for Revision.

The Court of Second Instance acknowledging this fact, on one hand, rendered the decision, on the other, to the effect that the claim of the Demandant is without grounds; hence the Judgement is accompanied by contradictory reasons.

In the statement of the Repliant (the then Defendant) it is mentioned as follows:-

"Upon default of the rent by the Plaintiff, the Defendant communicated to the American Consul; and the said track of land had been confiscated from the Plaintiff and been delivered to the original owner, after the said title deed had been cancelled by the Consul. Therefore, the Plaintiff's claim is without ground."

These statements are also quoted in the Judgement of Second Instance. From this it can be seen that the Repliant had confessed that there was an owner of the said land in question other than the Repliant himself. Without taking any adequate step to purchase the land from its original owner, the Repliant established the lease in perpetuity on the said track of land of which he was not the owner; hence came the natural result to the effect that the Repliant could not perform his obligation to let the Demandant enjoy the said lease in perpetuity.

The fact that is bound to bring this natural consequence is acknowledged in the Judgement of Second Instance, and is also one of the principle causes to institute the present Demand for Revision.

The Court of Second Instance acknowledging this fact, on one hand, rendered the decision, on the other, to the effect that the claim of the Demandant is without grounds; hence the Judgement is accompanied by contradictory reasons.

TRANSLATION.

Decision of the Supreme Court.

Demandant:	Frederick S. Lake, of Nagasaki.
Process Attorney:	Sato Kensei, Barrister-at-law.
Repliant:	Nagasaki Prefectural Government.
Its Representative:	Arakawa Yoshiharu, the Governor.
Process Attorneys:	Ishibashi Tomoichi and Agi Chu, Barristers.

Process attorney of the Demandant applied to the Court for a full annulment of the judgement delivered by the Court of Second Instance of Nagasaki on the 3rd day of February 1908 in the claims then pending between the above mentioned parties with regard to recognizance of a perpetual lease and surrender of land.

Process attorneys of the Repliant made application to the Court to reject the Demandant's application.

The attending Public Procurator Kawatsu Shigeatsu expressed his views.

Decision.

The Demandant's petition of revision is hereby rejected. The Court orders the Demandant to bear the costs of Court re the petition.

The above decision is based on the following grounds:-

(1st Count of the Demandant's petition is quoted here)

Taking this count into consideration, this Court hereby finds that the Court of Second Instance recognizes that there has existed a contract between the said parties to the effect that, if the Repliant be remiss in payment of the land rent, the lease shall [illegible] and be considered quite simply to the said judgement of the Court of Second Instance this said Court has judged according to the merits of the case and not on the principle of [illegible] the Repliant's pleading that the [illegible]

real meaning of the said Court, and does not therefore stand good.

The said Court based its decision on the above stated default. In view of this, the Court should deem that it is not justifiable to introduce, as the Demandant did, the consular jurisdiction into this matter; and still more so in view of the fact that the Demandant made no effort at the said Court to prove the juridical systems of the foreign countries. Therefore, that the said Court has made no reference to those foreign systems was not in a slightest violation of justice. To sum these up, this count of said petition is without any ground.

(And Count is quoted here)

Taking this count into consideration, the Court deems that the plea of the Replicant at the said Court was to the effect that the Replicant has confiscated the said perpetual lease upon failure of the Demandant to pay the land rent for the year 27th Meiji (1894) as it has been pointed out by the Demandant. That the Replicant made representation to the U. S. Consul and etc should rightly be interpreted as a simple statement of the course of the registration proceedings. It is a misinterpretation of the Demandant to say that "upon failure of the land rent" is not a plea. Even supposing that the declaration of registration of the title by the U. S. Consul was also a plea, a Court is not bound to decide us to the others when several independent pleas are adduced in support of the defense and one of them is held to prevail, as stated in Article 230 of the Code of Civil Procedure. The said Court of Second Instance has delivered the judgment in favor of the Replicant, as the said Court deemed that the Replicant plea as to the Demandant's failure of paying the land rent amply justifies the said Court to do so. Therefore, it did not necessitate the said Court to give any judgement against the other plea relating to the registering of the title by the U. S. Consul. It being so, the said judgement of the Court of Second Instance is not in contravention of Article 230 and 231 of the Code of Civil Procedure. Therefore, this point is also without ground.

(3rd Count is quoted here)

Taking this count into consideration, the Court deems that it was a fact beyond all dispute at the Court of Second Instance that the [illegible] rank of land rented to the Demandant's father [illegible] lands resting of the petitioner, as it was by reason [illegible] ation concerning it [illegible]

stated in the judgement of the Court of First Instance, which reads "there is no dispute between the parties as to the fact that the plaintiff's father had acquired the said perpetual lease by virtue of Exhibit No. 4 according to the land renting of the settlement". The said Court has justly interpreted Exhibit No. 4 to have complied with the provisions of the Nagasaki land regulation as to the land renting at the settlement. Especially, the said Court has not applied direct to the said lease in the present case, but only quoted it as testimony (Exhibit B No. 10) in interpreting the words "to be tendered anywhere each year" to have meant "to be tendered before a fiscal year". The wordings appearings in the said judgement will clearly prove this. The Defendant's reasoning in this connection is no more than a mere objection against recognition of fact which belongs ex officio to the said Court. Moreover, we cannot say that there was no fiscal year at all before the restoration, although it is true that there was no such a fiscal year at those days as we have now which is at variance with the regular calendar year. So, the said Court's interpretation cannot be said to be meaningless. The said Court has interpreted "Gogatsu" mentioned in the said Exhibit No. 4 as "in advance before a fiscal year", and the exhibit was made in the 22nd year of Meiji (1889). In view of these, the Court deems that this ground is not accompanied by reasons.

(4th Count is quoted here)

Taking this count into consideration, the Court deems that the said Court of Second Instance has recognized the existence of a contract between the parties to the effect that the lease in question shall be bound to relinquish upon default of the land rent, and that the said Court has adjudged that the said lessee has relinquished according to this contract. Even if law requires that any rendition of contract should be applied to a court, this requirement is not to be required in a case in which there is special agreement between the parties. Therefore, the said judgement of Second Instance is not to be violative of law; this being the case, this ground of the petition is without any ground.

(5th Count is quoted here)

The Court deems that this count is without any ground against recognition of the said facts of the

had enough evidence to believe that the Demandant's father had neglected his duty to tender the land rent. In a case like the present in which paymant of a land rent is based on hiring and letting of private law, there can be no ground for maintaining that a lessor should issue a pay-bill soliciting such paymant from the lessee. As the fact that a pay bill was not issued is not the one that is inconsistent with the fact that the land rent had been neglected, this count is also without ground.

(6th Count is quoted here)

According to the said judgement, it is stated that there is no sufficient material in order to recognise that the Demandant had tendered the land rent. This means that the said Court was not able to hit upon a conviction that the Demandant had tendered the rent; and law does not require the said Court to explain why it was unable to get the conviction. Therefore, this count is also without ground.

(7th Count is quoted here)

According to the said judgement, it is stated that the said Court could not recognize Edward Lake as the interested party mentioned in Exhibit B No. 4 who is now to pay all charges & etc. This count is nothing more than a mere attack against the said Court's recognition of the fact, and is not therefore to be deemed as a ground forthe petition

(8th Count is quoted here)

It is clearly expressed in the said judgement that the said Court has rejected Exhibit A 8 after comparing it with B 9, but did not admit the latter as a material to be used in testifying the Repliant's insistance on fact, although the Demandant argues it did. This count comes from a misunderstanding of the judgement, and is therefore without any ground.

(9th and 10th Counts are quoted here)

Taking these two counts into consideration, the Court deems that it was a recognition of fact on the part of the said Court that the said Court has admitted Exhibit No.3 B as an official document. But does not require that an official document, especially of the authorities of the foreign powers, cannot be acknowledged as valid unless it has been

executed by such authorities, or unless there are some symbols which would indicate the official execution of such a document. These two counts merely attack on this recognition of the fact on the part of the said Court, and are not therefore to be admitted as proper grounds for making the petition.

(11th Count is quoted here)

Taking this count into consideration, the Court deems that it is clearly stated in the petition and other records of the proceedings that the cause of the present suit's being brought out by the Demandantwas to set forth that the Repliant's confiscation of the leased land from the Demandant during the year of 1894 was a breach of contract on the former's part. That the said land was not a government land is a fact which was never stated by the Demandant at the said Court of Second Instance; therefore, if the said Court gave out a judgement in favor of the Demandant on the strength of this fact, the said Court should have done so in contravention of 1st Clause of Article 231 of the Code of Civil Procedure. This being the case, it amply justified the said Court to have deemed the claim of the Demandandant's as groundless, even if the said Court had recognized that fact.

(The 1st Clause: The Court is not empowered to accord to a party any thing which has not been applied for.)

None of the foregoing counts of the petition hold any ground, as per the above definitions of this Supreme Court.

Judgement is hereby given according to Articles 72 & 452 of the Code of Civil Procedure.

Given under our hands and seal of the Supreme Court this 29th day of October of the 35th year of Meiji (1902).

Second Civil Division,
of the Supreme Court.

Terashima Masashi, Presiding Judge.
Isamura Kokuyuki, Associate Judge.
Yagita Nachei, do.
Sarizawa Saion, do.
Baba Genji, do.
Kakushita Jujiro, do.
Koyama on, do.

Articles 72 & 452 are as follows:-

Art. 72: The party defeated shall bear the costs of the suit, and shall in particular repay to the adversary those occasioned by the suit, so far as they were in the opinion of the Court necessary for the proper assertion or defence of his rights.

Art. 452:- When the demand for revision is held to be unfounded, it is to be rejected.

Articles 72 & 452 are as follows:-

Art. 72: The party defeated shall bear the costs of the suit, and shall in particular repay to the adversary those occasioned by the suit, so far as they were in the opinion of the Court necessary for the proper assertion or defence of his rights.

Art. 452:- When the demand for revision is held to be unfounded, it is to be rejected.

Copy

Encl. No. 2 with Am. Despatch No. 710 of Jany 19, 1903.

No. 62 Bluff, Yokohama.
12th January, 1903.

JOHN M. FERGUSON, Esquire.,
Chargé des Affaires of the United States,
Legation of the United States,
TOKYO.

My dear Mr. Ferguson :-

In accordance with my promise, made at the time of our interview a few days ago, I have the honor now to enclose, in duplicate, for your information, a translation, as furnished to me, of the decision of the Supreme Court of Japan in a case brought by Mr. F. B. Lake and other heirs of George W. Lake, deceased, against the Governor of Nagasaki to recover certain property which was confiscated several years ago, or its value ; also a translation, in duplicate, of the Petition before the Supreme Court, to the Counts of which the Decision makes reference.

Permit me to say that I have had no active connection with the presentation of the case in either of the three Courts through which it has passed. Sometime ago, Mr. Lake came to me for assistance : I had several conversations with Minister Buck on the matter, and, as a result of them, informed Mr. Lake that I could do nothing at that time, since, while our Government was disposed to recognize the general validity of the claim, it felt that, before any diplomatic representation could be made, it would be well for him to seek his remedy in the Japanese Courts, and to exhaust this remedy ; and that, since I could not appear in a Japanese Court, I would retire until he had complied with the suggestion.

There is now no further judicial remedy to be sought in Japan, and I am asked to present to our Government, through the Legation, in the hope of securing its diplomatic interference, a complete history of the facts on which the Lake claim rests, and of the litigation growing out of it. I am engaged in this work now, but, since there are many complications, and, since many of the facts require careful verification,

I do not expect to complete it very soon.

In the meantime, I enclose the documents above referred to in the hope that you will be good enough to communicate them to the Authorities in Washington, in order that they may know that the Lake heirs have fully exhausted their legal remedies here, and that the decision of the Supreme Court has been given against them on grounds that seem to be rather flimsy.

I am informed that the President, in his last Message to the Congress of the United States, has recommended the passage of some Act making provision for the payment of the claim made by Japan against us on account of certain damages arising in Hawaii.

In view of the fact that, as I understand it, our State Department feels little doubt of the validity of the Lake claim ; that, through Minister Buck, it requested the Japanese Government to exclude from the case all testimony and reasoning resting on the ultra vires acts of the Consul at Nagasaki, which had been officially disavowed, and that this was peremptorily refused ; that the lower Court did rest its judgment on these acts ; that the Supreme Court accepts the judgment of the lower Court, and refuses to into the grounds on which it rests ; that the contract under which title to the Lake properties was held was not a local or private contract, nor even one with the Governor of Nagasaki in local official capacity, but was a contract with the Central Government of Japan, the then Governor of Nagasaki acting specifically as its direct representative in the making of the contract under which the grant was issued; and, that the Japanese Officials seem to be generally willing to admit, unofficially, that Lake has been wronged, denying only their responsibility for the damages arising from the wrong, and seeking to lay the responsibility on our Government for the act of its Consul —— in view of these facts, I say, our State Department may feel that it is not only possible, but advisable, to make the payment of our indemnity due to Japan dependent, in part at least, on her showing some interest in finding, and agreeing to, some reasonable and honorable method of reaching an adjustment of this claim, as well as the

practically admitted "White Whisky" claim of the American Trading Company.

We know, from experience, that Japan is not likely to agree to a settlement, or even to arbitration, of a difference unless she is forced to do so.

I beg to say that no more unjust loss or hardship could be shown in international dealings than these two cases present, and our Government has, so far, shown the greatest willingness to do what it reasonably could to protect the honest rights of its citizens who have been made to suffer by the occurrences on which these two claims rest.

Respectfully yours,

Willard Straight.

Enclosures as noted.

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
FEB 17 1903
BUREAU.

No. 2 January 19, 1903.

INDEX BUREAU
REC'D.
FEB
13
1903
DEPT. OF STATE

Typewriter ordered July 17. 1903 - Bu. Instr.

Legation advised Feb. 24

Mr. Ferguson

to the Secretary of State.

Subject:

Requesting new Remington typewriter.

INDEX BUREAU
FEB 27 1903
FILED

UNITED STATES LEGATION.
TOKIO.

No. X January 19, 1903.

To the Honorable John Hay ,

Secretary of State,

Washington.

Sir:

I have the honor to request that this legation be provided with a new Remington typewriter.

The office has but one available machine, the others having been worn out; and this fact frequently leads to considerable embarrassment and delay in transacting the business of the legation.

I have the honor to be,

Sir,

Your obedient servant,

John M. Ferguson.

UNITED STATES LEGATION,
TOKIO.

No. 711. January 19, 1903.





Mr. Ferguson,

to the Secretary of State.



Subject:

Return of Mrs. Kaneko's passport.

UNITED STATES LEGATION.
TOKIO.

No. 711. January 19, 1903.

To the Honorable John Hay,
Secretary of State,
Washington.

Sir:

I have the honor to state that passport No. 246, unlawfully issued by this Legation on June 5, 1902, to Mrs. U. S. Kaneko, a person of Japanese race, has been returned to the Legation by her husband.

The circumstances relating to the recall of this passport are explained in the Department's instruction No. 417 of August, 1902, and in Mr. Buck's reply(No. 690, October 8, 1902) thereto.

I have the honor to be,
Sir,
Your obedient servant,

John M. Ferguson.

DIPLOMATIC BUREAU
Show to the Solicitor.
Ack & file.
aag

DIPLOMATIC
FEB 14 1903
BUREAU.

UNITED STATES LEGATION.
TOKIO.

DEP'T OF STATE
FEB
13
1903
2ND ASST SECRETARY

Ackd. Feby 19/03
J.M.B.
fb

No. 712.

January 18, 1903.

INDEX BUREAU
REC'D.
FEB
13
1903
DEPT OF STATE

Mr. Ferguson,

to the Secretary of State.

INDEX BUREAU
FEB 20 1903
FILED

Subject:

Extension of time for preparation of cases in the House Tax Arbitration.

UNITED STATES LEGATION.
TOKIO.

No. 712. January 19, 1903.

To the Honorable John Hay,

Secretary of State,

Washington, D.C.

Sir:

I have the honor to report that an extension of four months beyond the eight months' limit set in the Protocol of August 28, 1902, has been asked for by the three protesting Powers, and acceded to by the Japanese Government, for the presentation of their case to the Arbitrators of the so-called "HOUSE-TAX QUESTION".

I have the honor to be,

Sir,

Your obedient servant,

John M. Ferguson.

TELEGRAM RECEIVED IN CIPHER.

Arrived Jan. 20 1903

From Tokio,

January 20, 1903.

Received 11.30 A. M.

Secretary of State,

Washington.

Govornor Taft telegraphs requesting apprehensiom of William A. Wilson, pending extradition; wanted at Manila embezzlement Government funds. Am I authorized to make the request Imperial Government of Japan under the treaty?

FERGUSON

(Note- TAFT and WILSON are probably correct, but were obscure in the cipher as received. Chief Clerk.)

INDEX BUREAU
JAN 24 1903
FILED

INDEX BUREAU
RECD.
FEB
21
1903
DEPT. OF STATE

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
FEB 21 1903
BUREAU.

No. 713. January 24, 1903.

Rec'd. Feby 26/03
8 am

Mr. Ferguson,

to the Secretary of State.

INDEX BUREAU
FEB 21 1903
FILED

Subject:

Transmitting correspondence relating to extradition of William A. Wilson for embezzlement of government funds at Manila, P.I.

UNITED STATES LEGATION.
TOKIO.

No. 713. January 24, 1903.

To the Honorable John Hay,
Secretary of State,
Washington, D.C.

Sir:

I have the honor to transmit to the Department herewith the correspondence relating to the request of Governor Taft for the apprehension, pending extradition, of William A. Wilson, disbursing officer, Bureau of Coast Guard and Transportation, Philippine Islands, charged with embezzlement of government funds.

On the 20th instant I received copies of two telegrams to the United States Consul General at Yokohama from Governor Taft (copies enclosed marked A). I at once made an informal request of the Foreign Office to employ their good offices in aiding to apprehend the said Wilson, but they were unwilling to proceed beyond endeavoring to locate him until more definitely informed on certain points left obscure in the Governor's telegram. I immediately telegraphed to Governor Taft for the desired information and received his reply the following day (copies of these telegrams enclosed herewith marked B), and at the same time I asked telegraphic instruction from the Department, deciphered as follows:

" Secstate Washington.

" Governor Taft telegraphs requesting apprehension of
" William A. Wilson pending extradition. Wanted at Manila
" charged with embezzlement government funds. Am I author-
" ized to make the request of the Japanese Government un-
" der the treaty. Ferguson. "

As Governor Taft's request involved the question of

the

the application of international treaties entered into between the United States and Japan prior to the acquisition of the Philippine Islands, I thought it unwise to take further steps without first seeking the Department's authorization, as it seemed possible that such a request might, in the future, be made the basis of a claim on the part of Japan for wider concessions in the matter of trade with the Islands under the provisions of other previously existing treaties and conventions.

On receipt of the Department's telegraphic instruction of the 20th, reading as follows:

" Ferguson, Chargé, Tokyo.

" Yes. Ascertain whether warrant has been issued at

" Manila. Adee ",

I addressed a formal note to the Minister for Foreign Affairs requesting the provisional arrest of the said Wilson, under the existing Extradition Treaty, (copy enclosed marked C), and am to-day in receipt of the Minister's reply, (copy enclosed marked D).

I have written to Governor Taft confirming the telegraphic correspondence between him and this Legation (copy enclosed marked E).

I have the honor to be,

Sir,

Your obedient servant,

John M. Ferguson.

Enclosures:

A. Telegrams, Governor Taft to Mr. Bellows, Jan'y 15 and 17, respectively,-- copies.

B. Telegrams, Mr. Ferguson to Governor Taft, Jan'y 20, and Gov. Taft to Mr. Ferguson, Jan'y 21.

C. Mr. Ferguson to Baron Komura, January 21.

D. Baron Komura to Mr. Ferguson, January 24.

E. Mr. Ferguson to Governor Taft, January 24.

Enclosure A with
Mr. Ferguson's No. 713
of Jany 24, 1903.

- Copy of Telegrams -

Manila, date, 15, 1, 1903.

Bellows, Consul General, Yokohama.

William A. Wilson wanted here for embezzlement government funds , left Shanghai steamer Shinanomaru January third for Seattle under name Walter W. Allen , request if possible information whether he left steamer Moji Kobe or Yokohama Taft, Civil Governor.

Manila, Date 17, January, 1903.

Bellows, Consul General, Yokohama.

Request efforts be made to apprehend Wilson necessary expenses will be reimbursed by this government descrip-tion of Wilson height about five feet eight inches 155 pounds hair dark brown eyes light blue almost green often bloodshot nose prominent on account of high bridge slightly stopped shoulders neat dresser extradition papers follow Taft governor.

Enclosure B. with
Mr. Ferguson's No. 713
of Jany 24, 1903.

- Copy of Telegrams -

Tokyo, January 20, 1903.

Governor Taft, Manila.

Japanese Government desire to know: first, has warrant for Wilson been issued; second, was he public officer or depositary; third, have you authority to requisition extradition without reference to Washington; otherwise time limit of provisional arrest must expire before receipt of papers. Meanwhile Japanese Government endeavoring to locate Wilson.

Ferguson, Charge d'Affaires

Manila, January 21, 1903.

Ferguson, Charge d'Affaires, Tokyo.

Warrant for Wilson's arrest issued was insular government officer have cabled Washington fully Taft.

Enclosure C, with
Mr. Ferguson's No. 713
of January 24, 1903.

(COPY)

No. 393.

January 21, 1903.

To His Excellency

Baron Komura Jutaro,

His Imperial Japanese Majesty's

Minister for Foreign Affairs.

Monsieur le Ministre:

I have the honor to inform Your Excellency that I am in receipt of a telegraphic request from the Honorable Judge Taft, Civil Governor of the Philippines, dated Manila, the 17 instant, requesting that efforts be made to apprehend William A. Wilson, a public officer, charged with embezzlement of government funds, for whose arrest a warrant has already been issued.

Under the existing Extradition Treaty between the United States and Japan, I have the honor to request that Your Excellency be so good as to cause instructions to be issued to the proper officers of Your Government to secure, if possible, the provisional arrest of the said Wilson, pending the arrival of the formal extradition papers, which, I have the assurance of Governor Taft, will follow in due course.

For Your Excellency's further information I have the honor to enclose herewith as complete a description of the appearance and reported movements of the said Wilson as this legation at present possesses.

I avail myself of this occasion to renew to Your Excellency the assurances of my highest consideration.

Signed: John M. Ferguson.

Enclosure:- as above stated.

William A. Wilson, alias Walter W. Allen, height, about 5 feet 8 inches; weight, about 155 pounds; hair, dark brown; eyes, light blue, almost green, often bloodshot; nose, prominent on account of high bridge; shoulders, slightly stooped; dresses neatly.

Reported to have left Shanghai, steamer Shinano Maru, January 3, for Seattle, under name of Walter W. Allen; Nippon Yusen Kwaisha agent reports that "Allen" landed at Shimonoseki and purchased ticket over San-yo railway.

William A. Wilson is disbursing officer Bureau of Coast Guard and Transportation, Philippine Islands.

Enclosure D with
Mr. Ferguson's No. 713
of Jany 24. 1903.

Copy.

Translation.

No. 4.

Department of Foreign Affairs,

Tokio, January 24, 1903.

John M. Ferguson, Esquire,

Charge d'Affaires

of the United States of America.

Sir:-

I beg to acknowledge the receipt of your note dated the 21st instant, informing me that you are in receipt of a telegraphic request from the Civil Governor of the Philippines that efforts be made to apprehend William A. Wilson, who is charged with embezzlement of Government funds, and for whose arrest a warrant has been issued, and requesting me, under the existing Extradition Treaty between Japan and the United States, to take measures for the provisional arrest of the said Wilson, pending the arrival of the formal Extradition papers.

In reply I beg to inform you that assuming that your request for the provisional arrest of the accused above mentioned was made under the Extradition Treaty between the two countries on the ground that the existing treaties and conventions between Japan and the United States concluded before the Philippine Island came into possession of the United States are equally applicable to those island the Imperial Government have no hesitation in complying with your request and that the competent authorities are now taking steps for the provisional arrest of the said Wilson charged with embezzlement of Government funds.

Accept

Accept, Sir, the assurances of my high consideration.

Signed: Baron Komura Jutaro,

Minister for Foreign Affa rs.

Enclosure E, with
Mr. Ferguson's No. 713
of Jany 24, 1903.

(C O P Y)

No. 654. January 24, 1903.

To the Honorable William H. Taft,
Governor of the Philippines,
Manila.

Sir:

I have the honor to inform you that on the 20th instant I received from the Consul General of the United States at Yokohama copies of two telegrams from you concerning the request for the apprehension, pending extradition, of William A. Wilson, charged with embezzlement of Government funds.

As the Japanese Government were unwilling to proceed beyond endeavoring to locate the said Wilson until definite information was furnished on certain technical points, though presumably covered by your telegrams to the Consul General, I telegraphed to you on the 20th instant (copy enclosed) and received your reply on the 21st (copy also enclosed).

With the authorization of the Department of State, to whom at the same time I had cabled for instruction, I made a formal request of the Japanese Minister for Foreign Affairs to use his good offices, in conformity with the Extradition Treaty at present existing between the United States and Japan, to secure the provisional arrest of the said Wilson and am in receipt of his reply to the effect that the request would be fully complied with.

As your request involved the question, among others, of the application of international treaties, concluded before the acquisition of our insular possessions, I did not feel authorized to take the responsibility of making this

this request of the Japanese Government without first telegraphing to you for fuller information and to the Department of State for instruction.

I am, Sir,

Your obedient servant,

Signed: John M. Ferguson,

Charge d'Affaires.

Enclosure:- As above stated.

INDEX BUREAU
REC'D.
FEB
21
1903
DEPT. OF STATE

DEPT OF STATE
FEB
21
1903
2ND ASST SECRETARY

DIPLOMATIC BUREAU
Mr. Conger may print.
Copy to Treasury
Ack.

UNITED STATES LEGATION.
TOKIO.

No. 714. January 27, 1903.

DIPLOMATIC
MAR 9 1903
BUREAU.

PRINTED IN ADVANCE SHEETS NO. 1586

Ackd
To Treasury
Sub. 6
File
S. Y. S

Mr. Ferguson,

to the Secretary of State.

INDEX BUREAU
MAR 9 1903
FILED

Subject:

Revision of import tariff at Muroran.

UNITED STATES LEGATION.
TOKIO.

No. 714.

January 27, 1903.

To the Honorable John Hay,

Secretary of State,

Washington, D. C.

Sir:

I have the honor to enclose herewith copy of Imperial Ordinance No. 4, issued January 21, 1903, revising Imperial Ordinance No. 342, issued July 12, 1899, with particular reference to the open port of Muroran.

I have the honor to be,

Sir,

Your obedient servant

ENCLOSURE:- As above stated.

Imperial Ordinance No. 4,

(Issued January 21, 1903)

The following revision shall be made in Imperial Ordinance No. 342 of 1899:-

Article 2.-- At the Port of Muroran the following articles may be imported:-

Sugar,

Beverages and Comestibles (only those mentioned in Group 2, Class I of the Import Tariff appended to the Law of the Fixed Rates of Customs Tariff),

Rails, and bolts, nuts, chairs, dog-spikes and fish-plates thereof,

Apparatus for agriculture and carpentering, and parts thereof,

Ropes and cords of flax, hemp, jute, Manila hemp and China grass,

Printing paper,

Paint oils,

Oil and wax (only those mentioned in Group 10, Class I of the Import Tariff appended to the Law of the Fixed Rates of Customs Tariff),

Articles exempted from duties (only those mentioned in Class II of the Import Tariff appended to the Law of the Fixed Rates of Customs Tariff).

Appended Rule.

This Ordinance shall come into force on and after the first day of February of 1903.

UNITED STATES LEGATION,
TOKIO.

DEP'T OF STATE
FEB
28
1903
2ND ASST SECRETARY

DIPLOMATIC BUREAU
Ask. by Number and File.

No. 715

DIPLOMATIC
FEB 28 1903
BUREAU.

February 3, 1903.

INDEX BUREAU
REC'D.
FEB
27
1903
DEPT. OF STATE

Mr. Ferguson,

to the Secretary of State.

INDEX BUREAU
FILED

Subject:

Appreciation by the United States of action of Japanese Government in connection with Mr. Buck's death.

UNITED STATES LEGATION.
TOKIO.

No. 915 February 3, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to acknowledge the receipt of your instruction No. 437, of December 31, 1902, directing me to inform the Japanese Minister for Foreign Affairs that the considerate action of the Japanese Government in connection with the death and funeral of Mr. Buck is greatly appreciated by the Government and people of the United States.

I have communicated the substance of the instruction to the Minister for Foreign Affairs in a note dated January the 28th, -- copy herewith enclosed.

I have the honor to be,

Sir,

Your obedient servant,

John M. Ferguson.

Enclosure:

Mr. Ferguson to Baron Komura, January 28, 1902,- copy.

Enclosure with Mr. Ferguson's No. 710
of February 3, 1903.

Copy.

No. 395. January 28, 1903.

To His Excellency,

Baron Komura Jutaro,

etc etc etc

Monsieur le Ministre:

I have the honor to inform Your Excellency that, in reply to a despatch sent by me to my Government on the 7th ultimo, reporting in detail the circumstances of the death of Minister Buck, I am instructed by the Honorable, the Secretary of State, to assure Your Excellency that the considerate action of the Japanese Government on that occasion is gratefully appreciated by the Government and people of the United States.

I avail myself etc etc

(Signed) John M. Ferguson.

UNITED STATES LEGATION.
TOKIO.

DEPT OF STATE
MAR
2
1903
2ND ASST SECRETARY

DIPLOMATIC
MAR 3 1903
BUREAU.

INDEX BUREAU
REC'D.
MAR
2
1903
DEPT OF STATE

No. 716.

February 9, 1903.

DIPLOMATIC BUREAU
To Treasury
Also to Gen. Foster
Ack.
aal

To Treasy & Ackd. Mch 4/03 S.M.M.

Sent to Mr. Foster.

File
J.Y.J.

Mr. Ferguson

to the Secretary of State.

INDEX BUREAU
MAR 12 1903
FILED

Subject:

Report by Lieut. Commander Marsh on sealing operations

UNITED STATES LEGATION.
TOKIO.

No. 716. February 9, 1903.

To the Honorable John Hay,
Secretary of State,
Washington.

Sir:

Supplementing dispatches Nos. 615, of January 20, and 666, of July 23, 1902, respectively, from this Legation, enclosing reports of the operations of the Japanese pelagic sealing fleet, I have the honor to transmit herewith an additional interesting report from Lieutenant Commander C. C. Marsh, Naval Attache of this Legation, mainly directed towards the operations of the sealers during the preceding year, accompanied by charts of the course of two vessels flying the Japanese flag engaged in pelagic sealing operations.

I have the honor to be,
Sir,
Your obedient servant,

John M. Ferguson.

Enclosure:

Report by Lieut. Commander Marsh relating to seals.

To accompany No. 716, M.I.D.
of Feby 9, 1903.

United States Legation,
(Naval Attache),

Tokyo, Japan,

February, 9th, 1903.

Sir;-

Referring to Reports which I made to His Excellency, theMinister, dated January, 19th, and July, 16th, 1902, on the Sealing Question, I have the honor to submit the following information.

The main points of interest are;-

(1) The waters in which thesealers hunt for seals.

(2) Theprobability that any of them will go to the Behring Sea and particularly the American side of that sea.

The information contained in this report is the history of the cruise of a certain number of Japanese sealers during the season of 1902, and their probable cruise for the coming season, 1903.

I forward herewith charts showing the exact track of these vessels. It is shown that two vessels cruised in the Behring sea, American side, and took seals in the viwinity of the Pribyloff Islands. The catch this year was very large, averaging for these six vessels 527 seals. It must be remembered that with poorer catch in the Japan Sea in the early part of the season, the temptation to take all risks by going to the Pribyloff Islands will be much increased.

It has not been practicable to extend the information this year beyond that contained herein. But I think it can be done.

Very respectfully,

C. C. Marsh.

Lieutenant Commander, U.S.N.

Naval Attache.

The Honorable,

John Mackintosh Ferguson,

Charge D'Affaires, of the United States.

No.3 Chishima Maru, owned by the Yenyo Gyogyo Kabushiki Kwaisha, Tateyama; 67.70 tons; 27 men; 7 boats.

She left Tateyama, Awa, on the 24th of January, 1903, and calling at Shimoda of Idzu, Sumoto of Awaji, Onomichi of Bingo, and other places, arrived near "Eayo" Island, Korea, on the 27th of February. From that time till the 11th of April, she has been engaged in hunting in the sea extending 60 or 70 miles, from 30 or 40 miles south east of "Eayo Island" to the south of Cape Bruat. Here she caught 134 seals, and on April 18th she entered Gensan. She took in provisions, left the port on April 28th, and hunted, from about May 7th till June 10th, in the sea extending about 200 miles towards east from about 100 miles due south of Vladivostock. Here she caught 435 seals, and arrived at Hakodate on June 17th. Thus the total catch of the 1st part of her cruise was 569.

She left Hakodate for the north on July 5th, and hunted, from Aug. 5th till 25th, in the sea extending from 30 or 40 miles off the southernmost cape of Bering Island of Komandorski Group to 60 or 70 miles south east of Myedni Island, catching 140 seals. She then left the ground for her return trip, and calling at Akkeshi and Miyako, she arrived at Tateyama on Oct. 4th. Her total catch, this year, was 699 seals.

Too Maru, owned by Y. Shibayama of Ishinomaki; 49 tons; 21 men; 5 boats.

She left Ishinomaki on the 1st of March, and hunted till the 31st of the same month in about 30 miles south of Kinkwa San, catching 75 seals. On April 1 she caught 2 seals off Miyako, Rikuchu. Next day she met a storm and drifted to off Mororan, where she cruised 20 days, but caught nothing. In the last part of the month she made for Siberia, and cruised the sea from 30 or 40 miles south of St. Vladimir Bay to 70 or 80 miles south of Vladivostock. She, then, hunted, from about May 17th to June 1st, in the sea extending from about 200 miles east of

Cape Eruat to 60 or 70 miles ~~east~~ of Cape Kozakof, and caught 38 seals. On her return way she caught 4 seals at 170 or 180 miles west of Okujiri Island. She then tried the sea off Suttsu, Tashio, and arrived at Hakodate on the 9th of June. The catch in the first part of her trip was 119.

She left Hakodate on June 23rd for Okhotsk Sea by way of Japan Sea, and hunted, from the 5th to 13th of July, in the sea extending from 40 or 50 miles off Cape Shiretoko, the southernmost point of Saghalien, to from 30 to 60 miles north east of Sharu mura of Kitami, catching 24 seals there. She then left for Komandorski Group, caught 1 seal on the way, passed the Strait of Amphitrite, and arrived at her destination on Aug. 2nd. She took to hunting immediately, searching the sea extending 150 or 160 miles, north to south and east to west, lying about 30 miles south of Cape Monoshi (south eastern point of Bering Island), and continued the work till Sept. 10th, catching 335 seals. She left for home on Sept. 13th, called at Nemuro, and arrived at Ishinomaki on Oct. 9th.

The catch of the second part of her trip was 250, making in all 369. She came to Kanagawa on Dec. 8th, and after taking in necessary articles, left it on the 20th of the same month, with the intention of cruising the same route as the last spring.

Kaio Maru, owned originally by the Suisan Kwaisha;
91.001 tons; 33 men; 9 boats

She left Tokyo on Feb. 3rd, and went to Sea of Japan by way of the Strait of Shimonoseki. From the first part of March to April 2nd, she caught 156 seals at about 100 miles off "Bayo" Island. From April 25th to May 20th, she caught 185 seals at about 200 miles east of Vladivostock. She then made for Hakodate, catching on the way 15 seals at 70 or 80 miles west of Okujiri Island, and arrived there on June 15th. The catch of the 1st part of her cruise was 356.

On June 28th she left Hakodate, passed the Japan Sea, and

hunted from the 7th to 10th of July at 40 or 50 miles south of Cape Shiretoko, catching 15 seals. She then sailed for Behring Sea, and on the way caught 18 seals at 70 or 80 miles east of Paramushiru Island. From July 25th to Aug.10th She hunted at 50 or 60 miles east of Myedni Island of Komandorski Group, catching 139. From Aug.25 to Se t.15 she hunted at 40 or 50 miles west of Pribyloff Group, and caught 87 seals. She arrived at Tokyo on Oct.14th. Her catch in the 2nd part of her cruise was 349, making in all 605.

She will leave Tokyo perhaps in the first part of February for the same route.

Tenyu Maru, owned by the Too Yenyo Gyogyo Kabushiki Kwaisha, Ishinomaki; 72 tons; 26 men; 7 boats.

She left Ishinomaki on the 5th of March, 1909, and hunted from 130 or 150 miles east of Kinkwa San to the north east of Hachinohe, catching 50 seals. About the 10th of April, she passed the Strait of Tsugaru, and sailed for Korean seas, where she was engaged in hunting from April 25th till the last part of May. Commencing in the neighborhood on "Eayo" Island, she proceeded towards Cape Pruat, then towards Dagelet Island, and then to 140 or 150 miles south of Vladivostock, catching 182 seals. She then made for [redacted] the Hokkaido, and searched for seals on her way right and left, catching 31 seals, till she arrived within about 100 miles of Okujiri Island. She entered the port of Otaru on July 10th. Her catch during this part of her cruise was 263.

On the 4th of Aug. she left Otaru, and hunted, from Aug.7th to 15th, in the Strait of Soya, and off Cape Shiretoko and Cape Tonin, catching 40 seals. From Aug.20th to Sept.17th, she caught 67 seals in 130 or 150 miles south east of the Strait of Kurile. From Oct.15th to Nov.4, she caught 118 seals in the [redacted] 70 or 80 miles south of Myedni Island of Komandorski Group. She returned to Ishinomaki on the 27th of Nov[illegible]

Her catch during the 2nd part of her cruise was 225, the total for the year being 168.

Tokiwa Maru, owned by Aoki, Tokyo; 18.74 tons; 15 men; 4 boats.

This vessel left Tokyo on February 10th, 1909, and proceeded to Korean seas by way of the Strait of Shimonoseki. From March 5th till April 1st, she hunted from north of Dagelet Island to 70 or 80 miles south of Vladivostock, and caught 167 seals. She then sailed for the Hokkaido, catching 7 seals on the way, passed the Strait of Tsugaru, and arrived off Mororan. There she caught, from April 13th to May 7th, 33 seals in 170 or 180 miles off Mororan. She entered the port of Mororan on the 10th. The catch during the first part of her cruise was 207.

She left Mororan on May 16th, and made direct for Kamchatka. There from June 20th till the last part of July, she hunted between about 40 miles east of Cape Stolbovy, and Komandorski Group, catching 117 seals. She then proceeded eastward, and hunted gradually southward from 60 or 70 miles west of Pribyloff Islands, from Aug. 10th till Sept. 7, catching 73. She returned to Tokyo on Oct. 10th. The catch in this part of her cruise was 190, making ~~397~~ the total for the year 397.

She will set out next year in February, but exact date is not yet settled. She intends, I am told, to take the same route as this year.

Awa Maru.

This vessel left Tokyo on January 24th, passed the Strai of Shimonoseki, and entered Korean seas. She proceeded towards Dagelet Island, catching on the way 34 seals. From the first part of March till about 15th of April, she hunted from 40 or 50 miles east of Dagelet Island to 150 or 160 miles south of Vladivostock, and caught 323. From the last part of April to about 27th of May, she caught 167 seals in nearly middle part

of Sea of Japan. She then cruised to off Siehil Bay, catching on the way 4. She arrived at Hakodate on June 18th. Her catch during the first part of her cruise was 408.

She left Hakodate on July 2nd, and caught 18 seals in 60 or 70 miles south of Paramushiru Island. From Aug.3 till Sept. 6th she hunted in the sea extending 160 or 170 miles, lying in the south of Komandorski Islands, and caught 200. She then left for Tokyo. In the forenoon of Sept.28th she met a storm in Kashima wan, Hitachi, and wrecked. One man was drowned, and two or three were wounded. Not one fur was saved.

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
MAR 16 1903
BUREAU.

No. 717. February 13, 1903.

INDEX BUREAU
REC'D.
MAR
16
1903
DEPT. OF STATE

To Treasy Dept.
File

To Treasury
Rec'd. 17

Mr. Ferguson

to the Secretary of State.

INDEX BUREAU
MAR 23 1903
FILED

Subject:

Requesting free entry of Mrs. Buck's household effects.

UNITED STATES LEGATION.
TOKIO.

No. 717 February 13, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to inform you that the household effects of Mrs. Buck, widow of the late Minister, have been shipped from Yokohama by the American Asiatic Steamship Company's vessel, the "Gibraltar", due in New York, via Suez, early in May, and to request that the authorities at that port may kindly be instructed to afford every facility in entering the effects and forwarding them to their destination, which is Atlanta, Georgia.

Mr. Miller, who has had entire charge of the arrangements here, has taken the liberty to send a personal communication on the subject directly to Mr. Roosa, United States Despatch Agent at New York City, enclosing the shipping agent's receipt.

I have the honor to be,

Sir,

Your obedient servant,

John M. Ferguson.

DEPT OF STATE
MAR
16
1903
2ND ASST SECRETARY

DIPLOMATIC BUREAU

Ack. approving. age saying that the Emp. had already assured the Jap. Min. how from sympathy with the Imperial

UNITED STATES LEGATION.
TOKIO.
MAR 16 1903
BUREAU.

No. 718

February 20, 1903.

Acked. Mar 19/03
J.M.H.

File 1.7

INDEX BUREAU
REC'D.
MAR
16
1903
DEP. OF STATE

Mr. Ferguson

to the Secretary of State.

INDEX BUREAU
MAR 23 1903
FILED

Subject:

Death of H.I.H. Prince Komatsu.

UNITED STATES LEGATION.
TOKIO.

No. 718. February 20, 1903.

To the Honorable John Hay,
Secretary of State,
Washington.

Sir:

I have the honor to report the death in Tokio on the 18th instant of H. I. H. Field-Marshal Prince Komatsu Akihito, a member of the Imperial Family. The State Funeral will take place on the 26th instant.

As the late Prince was perhaps the best known to America and Europe of the members of the Imperial Family,- having once visited the United States and twice having acted as representative of the Emperor, first on the occasion of the Jubilee of the late Queen Victoria and later for the Coronation of King Edward;- and as his services to his country had been most distinguished, it seemed proper, acting upon the Department's instruction No. 49, March 3, 1894, to Mr. Dun, to address the enclosed note to the Minister for Foreign Affairs, offering the condolences of the President to the Emperor on this occasion.

I have the honor to be,
Sir,
Your obedient servant,

John M. Ferguson.

ENCLOSURE:- Mr. Ferguson to Baron Komura, February 19, 1903.

Enclosure with Mr. Ferguson's
No. 71 of Feby 20, 1903.

Copy.

No. 398. Legation of the United States,

Tokyo, February 19, 1903.

To His Excellency,

Baron Komura Jutaro,

etc etc etc

Monsieur le Ministre:

I have the honor to inform Your Excellency that I have been charged to express a message of sincere condolence from the President to His Imperial Majesty, the Emperor, on the occurrence of the death of His Imperial Highness, Prince Komatsu Akihito, and I beg to request that Your Excellency be so kind as to convey the President's message to its high destination.

I avail myself etc etc

(Signed) John M. Ferguson.

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
MAR 16 1903
BUREAU.

No. 719. February 19, 1903.

Dec'd Nov'd 19/03
F.G.S.M.S.

INDEX BUREAU
REC'D.
MAR
16
1903
DEPT. OF STATE

Mr. Ferguson

to the Secretary of State.

INDEX BUREAU
MAR 20 1903
FILED

Subject:

The undelivered telegram of December 24, 1902.

UNITED STATES LEGATION.
TOKIO.

No. 719. February 20, 1903.

To the Honorable John Hay,
Secretary of State,
Washington,D.C.

Sir:

I have the honor to acknowledge the receipt of your instruction No. 439, dated January 21, informing me that the telegram despatched from this Legation on December 24th last did not reach the Department, and instructing me to make inquiry in Tokyo as to the cause of the non-delivery of the said telegram.

I immediately brought the matter to the attention of the Minister of Communications, and am now in receipt of his reply, copy of which is enclosed herewith. On the receipt of any further communication from Viscount Yoshikawa I will again report to the Department.

I have the honor to be,
Sir,
Your obedient servant,
John M. Ferguson.

Enclosure:

Viscount Yoshikawa to Mr. Ferguson, February 19,1903, --copy.

Enclosure with Mr. Ferguson's
No. 719 of Feby 19, 1903.

Translation - copy.

Tokyo, February 19, 1903.

John M. Ferguson, Esquire,

Charge d'Affaires of the United States.

Sir:

I beg to acknowledge the receipt of your communication relating to a telegram to Washington despatched by you on the 24th of December last which failed to reach its destination, and in reply I hasten to say that upon investigation I have found that the said telegram was certainly despatched at 8:30 P.M. on the date mentioned from our Post and Telegraph Office at Nagasaki to the Great Northern Telegraph Company at the same place, so that the failure of the telegram to reach its destination must be attributed to the telegraph lines outside this country.

I have accordingly referred the matter to the foreign telegraph authorities for investigation and will acquaint you with the facts as soon as the investigation is completed.

Please accept etc etc

(Signed) Viscount Yoshikawa,

Minister of Communications.

UNITED STATES LEGATION.
TOKIO.

No. 720. February 20, 1903.

INDEX BUREAU
REC'D.
MAR
16
1903
DEPT. OF STATE

Dupl'cat'n Dep. Bureau.
File-GJ

DIPLOMATIC
MAR 16 1903
BUREAU.

Mr. Ferguson

to the Secretary of State.

SUBJECT:- Transmitting copy of Diplomatic and Consular List of Japan.

UNITED STATES LEGATION.
TOKIO.

No. 720. February 20, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

Acting upon the Department's request, contained in your instruction of the 15th ultimo, for a copy of the last annual register of the diplomatic and consular service of Japan, I have the honor to transmit, under seperate cover, the only official publication of that nature issued by the Foreign Office, which I have had annotated in English and which is supplemented by a copy of the Japan Directory for 1903, where, on p.p.92-96, the information sought is more conveniently set forth.

I have the honor to be,

Sir,

Your obedient servant,

John M. Ferguson.

ENCLOSURE:- Official Foreign Office List and Japan Directory.

DIPLOMATIC BUREAU

Note, ack & file.

UNITED STATES LEGATION,
TOKIO.

DEP'T OF STATE
MAR 23 1903
2ND ASST SECRETARY

DIPLOMATIC
MAR 24 1903
BUREAU.

RECEIVED
MAR 27 1903
BUR. ACCOUNTS. DEP. OF STATE.

INDEX BUREAU
REC'D.
MAR 23 1903
DEPT. OF STATE

No. 721. February 24, 1903.

Ackn. Mar 24/03

Mr. Huntington Wilson

to the Secretary of State.

INDEX BUREAU
MAR 30 1903
FILED

Subject:

Assumption of duties as chargé d'affaires.

UNITED STATES LEGATION.
TOKIO.

No. 721.

February 24, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to report that I have today taken over the business of the legation as chargé d'affaires ad interim, having arrived in Tokio this morning returning from absence in America.

A duplicate of my receipt for the ciphers is herewith.

I have the honor to be,

Sir,

Your obedient servant,

Huntington Wilson.

Enclosure:

Receipt for cipher.

Duplicate.

UNITED STATES LEGATION.
TOKIO.

February 24, 1903.

Received from Mr. J. M. Ferguson, Second Secretary of Legation, the Cipher of the Department with Holocryptic Code, No. 25, and also No. 25 of the old cipher and code of 1876.

Huntington Wilson.

Chargé d'Affaires.

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
APR 7 1903
BUREAU.

No. 722. February 27, 1903.

INDEX BUREAU
REC'D.
APR
7
1903
DEPT. OF STATE

Mr. Huntington Wilson

to the Secretary of State.

INDEX BUREAU
APR 10 1903
FILED

Subject:

Emperor of Japan's thanks to the President for condolences upon death of Prince Komatsu; the Prince's funeral.

UNITED STATES LEGATION.
TOKIO.

No. 722. February 27, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to convey through you to the President H. M. the Emperor of Japan's expressions of appreciation and thanks for the President's message of condolence upon the death of H. I. H. Prince Komatsu, transmitted to me by the Minister for Foreign Affairs.

Yesterday the funeral was celebrated with great pomp according to the Shinto rites.. A large procession followed the bier to the cemetery and minute guns were fired by the Tokio garrison and by warships in the bay.

The ministers of Great Britain and of Germany had for the occasion of the funeral been appointed by telegraph the special representatives of their sovereigns and in that capacity took a part next in importance to that of the representatives of the Emperor and Empress of Japan.

I have the honor to be,
Sir,
Your obedient servant,
Huntington Wilson.

U.S. Legation to Japan

No. 1.

MAR 12 1903
BUREAU

Haverford, Pennsylvania.

March 11, 1903.

DIPLOMATIC BUREAU

DEP'T OF STATE
MAR
12
1903
2ND ASST SECRETARY

File -

INDEX BUREAU
REGTD.
MAR
12
1903
DEPT OF STATE

The Honorable John Hay.

Secretary of State.

Washington, D.C.

Sir,

I have the honor to acknowledge the receipt of your Despatch No. 1 of the 3 instant, enclosing therewith my Commission as Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Japan; a letter accrediting me to the Government of Japan, with an office copy thereof; a diplomatic and consular list; and a copy of the printed instructions to diplomatic officers of the United States.

During my mission to Japan I will carry out your instructions to the best of my ability and my most earnest efforts will be directed towards strengthening the cordial relations which exist between the United States and Japan.

I am deeply gratified by the expression of confidence contained in your Despatch.

I have the honor to be,

Sir,

your obedient servant

Lloyd Griscom.

DIPLOMATIC
MAR 12 1903
BUREAU.
INDEX BUREAU
RECD.
MAR
12
1903
DEPT. OF STATE

U.S. Legation to Japan

Haverford, Pennsylvania.

March 11, 1903.

The Honorable John Hay.

Secretary of State.

Washington , D.C.

File
S.Y.S

Sir,

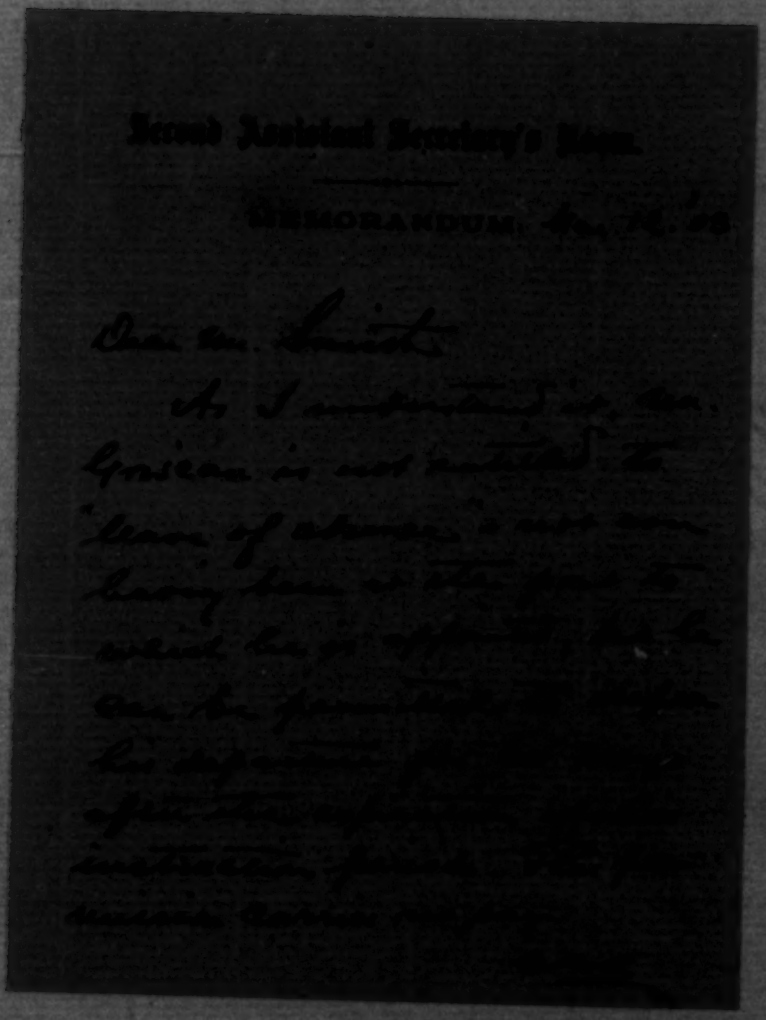
I have the honor to request that I be granted leave of absence for sixty days after March 30, without pay.

I have the honor to be Sir,

your obedient servant

Loyd Carpenter.

Asst
Mch 13



UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
APR 7 1903
BUREAU.

No. 723. March 11, 1903.

INDEX BUREAU
REC'D.
APR
7
1903
DEPT. OF STATE

Mr. Huntington Wilson

to the Secretary of State.

INDEX BUREAU
APR 10 1903
FILED

Subject:

Japanese elections.

UNITED STATES LEGATION.
TOKIO.

No. 723. March 11, 1903.

To the Honorable John Hay,
Secretary of State,
Washington.

Sir:

I have the honor to inform you that the elections to the Japanese House of Representatives were held on the 1st instant, in consequence of the dissolution of the House on December 28th reported in dispatch No. 709 of the 31st of that month.

Now that the returns are all in it is found that the relative strength of the political parties remains practically unchanged.

The date for the opening of the new diet has not yet been set; but it is said that it will occur in May.

Under the circumstances it seems problematical whether the present independent cabinet can continue unchanged.

I have the honor to be,
Sir,
Your obedient servant,

Huntington Wilson.

UNITED STATES LEGATION,
TOKIO.

File.

No. 724. March 24, 1903.

Consular Bureau.
APR17 1903

INDEX BUREAU
REGTD.
APR
17
1903
DEPT. OF STATE

Mr. Huntington Wilson

to the Secretary of State.

INDEX BUREAU
APR 20 1903
FILED

Subject:

Mr. Scidmore's new exequatur.

UNITED STATES LEGATION.
TOKIO.

No. 724. March 24, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

As directed by your instruction No. 440 of the 2nd ultimo, enclosing the certificate of appointment of George H. Scidmore as Deputy Consul General of the United States at Yokohama, I have obtained the new exequatur and forwarded it to Mr. Scidmore through the Consul General.

I have the honor to be,

Sir,

Your obedient servant,

Huntington Wilson.

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
APR 27 1903
BUREAU.

No. 725.

March 30, 1903.

INDEX BUREAU
REC'D
APR 27
1903
DEP. OF STATE

Mr. Huntington Wilson,

to the Secretary of State,

INDEX BUREAU
APR 28 1903
FILED

Subject:

Acknowledging receipt of new type-writer.

file

UNITED STATES LEGATION.
TOKIO.

No. 725. March 30, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to acknowledge, with thanks, the receipt of the new type-writer mentioned in your instruction No. 442 of the 24th ultimo.

The old machine has been forwarded to-day through the dispatch agent at San Francisco.

I have the honor to be,

Sir,

Your obedient servant,

Huntington Wilson.

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
MAY 5 1903
BUREAU.

2nd ASST. SECRETARY.
MAY 4 1903

No. 726. April 6, 1903.

INDEX BUREAU
REC'D.
APR 27
1903
DEPT. OF STATE

RESPECTFULLY REFERRED
TO THE SOLICITOR.

To War. Dept.
1 Oct 1903

Mr. Huntington Wilson

to the Secretary of State.

INDEX BUREAU
MAY 11 1903
FILED

Subject:

Return of Wilson, a fugitive from justice.

UNITED STATES LEGATION.
TOKIO.

No. 726. April 6, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

Referring to the questions relating to the extradition from Japan of William A. Wilson, which arose for a time during January, as described in Mr. Ferguson's dispatch No. 73 of the 24th of that month, I have the honor to enclose copy of a letter received the 1st instant from the Minister for Foreign Affairs, who makes inquiries as to the later developments of the case.

Baron Komura states that Wilson had been arrested in Vancouver and was on the way back to the Philippines in custody aboard the steamship "Athenian" when she called at Yokohama on February 28th, and goes on to request information as to how the fugitive was arrested, surrendered, and sent back to Manila by the "Athenian".

The statements of the Minister for Foreign Affairs coincide with rumours I had heard, but I am without reliable information beyond that contained in the Department's instruction of February 26th by which I was informed that Wilson had been apprehended in Canada and returned to the Philippines.

On the 2nd instant Baron Komura told me that his information rested upon a statement made to the local authorities by our consul-general at Yokohama.

In view of the rumours mentioned above I had called upon Mr. Bellows on March 26th and desired him to send me at his earliest convenience a copy of the certificate I heard

heard indirectly he had given the Japanese authorities, or if he had not a copy, a description of it. I have the honor to enclose herewith a copy of his letter received April 3rd elicited by our conversation,—the first report of his action of February 28th.

2.

I infer that the Minister for Foreign Affairs' inquiries imply that his Government are disposed to take exception to the assumed fact that the fugitive, under arrest, was returned without preliminary formalities through Japanese territorial waters.

I have the honor to be,

Sir,

Your obedient servant,

Huntington Wilson.

Enclosures:

1. Baron Komura to Mr. Huntington Wilson, March 31.
2. Mr. Bellows " " April 2.

Enclosure No 1 with No. 726 of April 6, 1903.

(Copy).

Translation.

No. 13. Department of Foreign Affairs,
Tokio, March 31, 1903.

Huntington Wilson Esquire,
Chargé d'Affaires of the United States
of America.

Sir:

With reference to my note No. 7 dated the 10th ultimo informing you of the reported movements of William A. Wilson, charged with embezzlement of the Philippine Government funds, I am now in receipt from the proper authorities of a further advice according to which the said Wilson, having been arrested in Vancouver, was being sent back to Manila in charge of an officer by the Canadian Pacific Railway Co.'s steamship "Athenian", and was found on board that steamer when she called at Yokohama on the 28th ultimo.

Under the circumstances, in view of the interest taken by the Imperial Government in the matter, I have the honour to ask you for the information as to how the fugitive criminal in question was arrested and surrendered, and finally sent back to Manila by the said steamer.

Accept, Sir, etc etc

Signed Baron Komura Jutaro,
Minister for Foreign Affairs.

Enclosure No. 2 with No. 726 of April 6, 1903.

(Copy)

Consulate General of the United States

1391. of America,

Yokohama, Japan, April 2, 1903.

Dear Mr. Wilson,

In regard to the matter of my certificate relating to the presence of William A. Wilson in charge of an officer passing through this port to Manila for trial, I have to say that on February 28, 1903, Mr. Ikariyama, local inspector of police, reported at this office that he held a warrant issued by the Minister of Justice for the arrest of said Wilson, which it was his purpose to serve, unless it could be shown that the fugitive was already in proper custody.

As the officer in charge of Wilson had visited this office and fully stated his mission, I had a right to suppose he was acting in due form and that I should assist him in the performance of his duty. I was also informed by the British Consul that he had received a notification from the Japanese police of their intention to proceed aboard the "Athenian" (a British vessel) for the purpose of arresting Wilson.

This purpose was evidently changed upon Inspector Ikariyama's learning that Wilson was already in charge of an officer of the law, and, at the former's request I gave him a written statement to the effect that I was satisfied that Wm. A. Wilson, a fugitive from justice, was in charge of Charles E. Herron, an officer deputed to conduct him to Manila for trial, and was being held on board the steamship "Athenian" at Yokohama.

Respectfully,

(Signed) E. C. BELLOWS.

UNITED STATES LEGATION.
TOKIO.

File

3rd ASST. SECRETARY.
MAY 4 1903

No. 727. April 9, 1903.

INDEX BUREAU
RECD.
APR
1903
DEPT. OF STATE

RESPECTFULLY REFERRED
TO THE SOLICITOR.

Mr. Huntington Wilson

to the Secretary of State.

INDEX BUREAU
MAY 5 1903
FILED

Subject:

Formerly contemplated extradition of Wilson from Japan.

UNITED STATES LEGATION.
TOKIO.

No. 727. April 9, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

To complete the record I have the honor to enclose, supplementary to my dispatch of the 6th instant, a copy of the Minister for Foreign Affairs' letter of the 10th February, which shows the steps taken by the Japanese authorities when the extradition of Wilson from this country was contemplated. Thanks were expressed at the time.

I have the honor to be,

Sir,

Your obedient servant,

Huntington Wilson.

Enclosure:

Baron Komura to Mr. Ferguson, February 10.

Enclosure with No.727, April 9, 1903,--copy.

No.7. Translation.

Department of Foreign Affairs,

Tokio, February 10, 1903.

John M. Ferguson, Esqre.,

Chargé d'Affaires of the

United States of America.

Sir:

With reference to the case of William A. Wilson alias Walter W. Allen charged with embezzlement of Government funds I beg to inform you that, after a thorough investigation made by the competent authorities at Kobe and Yokohama as to his whereabouts it appears that he had left Japan some time before the request for his provisional arrest was made to the Imperial Government. His recent movements as reported from Kobe and Yokohama are as follows:

Walter W. Allen arrived at Oriental Hotel in Kobe on the 7th January and left for Yokohama in the morning of the 9th by the 6.07 a.m. train. Late in the evening of the same day about 11 o'clock at Wright's Hotel in Yokohama there arrived one Allen W. Water, whose features coincided with those of William A. Wilson alias Walter W. Allen in every respect. The next afternoon about 3 o'clock he took a passage in the C.P.R. Steamer "Athenian" for Vancouver on his way to Montreal.

Accept, Sir, etc.

(Signed) Baron Komura Jutaro,

Minister for Foreign Affairs.

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
MAY 23 1903
ASSISTANT SECRETARY U.

No. 5.

April 23, 1903.

MAY 23 1903

INDEX BUREAU
RECD.
MAY
DEPT. STATE

Asked. May 26/03
P.M.M.

Mr. Huntington Wilson

to the Secretary of State.

INDEX BUREAU
MAY 27 1903
FILED

Subject:

The Osaka Exhibition.

UNITED STATES LEGATION.
TOKIO.

No. ~. April 23, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to report that the Fifth National Industrial Exhibition at Osaka was officially opened on the 20th instant by H. M. the Emperor, who made a short address on the occasion. His Imperial Majesty remarked upon the fact that the number of domestic exhibits was double that at the last exhibition(eight years ago) and upon the progress shown, alluding also to the novelty of foreign exhibits and the advantages of having them, and in conclusion urging on the part of all his subjects increased diligence for further advancement.

The Minister for Agriculture and Commerce, in his quality of Vice President of the Exhibition, invited the ministers and chargés d'affaires to visit Osaka for the opening ceremonies. Special cars were provided for the journey and the four days' stay in Osaka as guests of the Government was made very delightful.

The exhibition is a success and is certainly very creditable and interesting. Especially suggestive are the exhibits of machinery made in Japan.

One building is devoted to foreign samples and contains extensive exhibits from Germany, Great Britain, Austria, America, and other countries. Two of the finest exhibits are the two separate buildings put up one by Messrs. Andrews & George and the other by Mr. F. W. Horne, American merchants of Yokohama; both are filled with American manufactures

manufactures or machinery and attract much attention. A collection of Austrian manufactures and machinery and a German locomotive are the only other private foreign exhibits with separate buildings. The products of the State of Oregon are well displayed in a section of the Foreign Samples Building in charge of Mr. Dosch, a Commissioner appointed by the Governor of Oregon.

Canada has the only foreign government building. It contains exhibits chiefly of food stuffs, especially flour. Mr. Fisher, the Canadian Minister of Agriculture, is stopping at Osaka, and evidently energetic efforts are being made to push Canadian exports to Japan.

From what I have said it will be seen that, whilst the Exhibition was inaugurated as a purely domestic one with only a small space allotted for foreign exhibits, in the end these have become rather an important factor, with doubtless considerable practical value as advertizing the manufactures of the countries whose industries are represented.

I have the honor to be,

Sir,

Your obedient servant,

Huntington Wilson.

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
MAY 18 1903
BUREAU.

No. #. April 25, 1903.

INDEX BUREAU
REC'D.
MAY
18
1903
DEPT. OF STATE

Mr. Huntington Wilson

to the Secretary of State

INDEX BUREAU
MAY 18 1903
FILED

Subject:

International Good Roads Congress; Japan cannot be represented.

UNITED STATES LEGATION.
TOKIO.

No. 77. April 25, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to transmit the regrets of the Japanese Government that they are unable to send delegates to the International Good Roads Congress to be held at St. Louis, from April 27th to May 2nd, 1903, on account of the time appointed for the meetings being so close at hand. The invitation to participate was extended in the manner indicated by your Circular Instruction of February 16th last.

I have the honor to be,

Sir,

Your obedient servant,

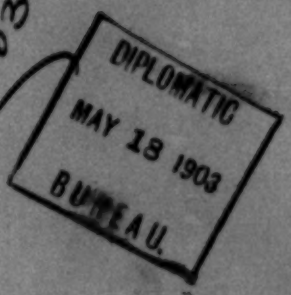
Huntington Wilson.

UNITED STATES LEGATION.
TOKIO.

No.#. April 28, 1903.

Inform Major Pilcher
T. May Pilcher
May 19.03





File
S. J. D.

Mr. Wilson

to the Secretary of State.



SUBJECT:-Association of Military Surgeons. Japan cannot send delegates to Meeting.

UNITED STATES LEGATION.
TOKIO.

April 28, 1903.

No. 64

To the Honorable John Hay,

Secretary of State,

Washington, D. C.

Sir:-

In accordance with your unnumbered instruction of the 2nd ultimo, I made known to the Japanese Government the desire of the Association of Military Surgeons of the United States that official delegates, representing the medical departments of the Army and Navy, might be present at the 12th Annual Meeting of that Association, and I have the honor to report that I am now in receipt of a reply from the Minister for Foreign Affairs, transmitting the regrets of those departments that they are unable, this time, to meet the desires of the Association.

I have the honor to be,

Sir,

Your obedient servant

Huntington Wilson.

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
MAY 18 1903
BUREAU.

No. 5.

April 29, 1903.

INDEX BUREAU
REC'D.
MAY
1903
DEPT. OF STATE

Mr. Huntington Wilson

to the Secretary of State.

INDEX BUREAU
MAY 20 1903
FILED

Subject:

Confirming telegram about Mr. Pulitzer.

U.S Legation to Japan

DEPARTMENT OF STATE,
WASHINGTON.

DIPLOMATIC
APR 30 1903
BUREAU.

INDEX BUREAU
REC'D.
APR
29
1903
DEPT. STATE

RECEIVED.
APR
30
1903
BUREAU OF ACCOUNTS, DEP. OF STATE.

April 29, 1903.

Honorable John Hay,

Secretary of State,

DIPLOMATIC
JUN 15 1903
BUREAU

Sir:

Ord. June 15, 1903 to be sent from July 1- 1903 to June 30, 1904
Bur acets

I have the honor to request that the New York Tribune and the San Francisco Chronicle be sent to the Legation of the United States in Japan for one year from the first of July next, agreeable to Section 332 of the Printed Instructions to Diplomatic Officers.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd C. Griscom.

Minister of the United States to Japan.

INDEX BUREAU
JUN 17 1903
FILED

UNITED STATES LEGATION.
TOKIO.

ASSISTANT SECRETARY,
MAY 19 1903

No. 728. April 30, 1903.

INDEX BUREAU
RECD.
MAY
19
1903
DEPT. OF STATE

DIPLOMATIC
MAY 20 1903
BUREAU.

Ans May 20/03
File
S.Y.I

Mr. Huntington Wilson
to the Secretary of State.

INDEX BUREAU
MAY 21 1903
FILED

Subject:

The Political Situation.

UNITED STATES LEGATION.
TOKIO.

No. 728. April 30, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to inform you that the eighteenth session of the Japanese Diet has been summoned to convene on the eighth of May.

Since the general election on March first the political situation has remained undisturbed until within the last few days. Following the naval review recently held near Kobe some members of the Seiyukwai (Constitutionalists) who were also members of the House of Representatives, held a meeting at which a resolution was adopted strongly protesting against the present management of the party. A similar resolution was shortly afterwards issued by a number of sympathizers in Tokyo, the combined forces of the protesting faction being reported as one hundred or more, all members of parliament. The dimensions of the disaffection may have been somewhat exaggerated but the events of the last few days point unmistakeably to a split in the ranks of Marquis Ito's party.

The reason given for dissatisfaction was that the control of party matters by the president of the association and the general committee was dictatorial and overbearing; the dissenters desired that all party questions should be settled and all party appointments should be made by a majority vote of the members, and that the number of the general committee should be reduced to three. The reply of the committee was promptly to expel from the party four of the leaders of the agitation. The incident as a whole is indicative of the lack of subordination and cohesion in

Japanese

Japanese political parties as they now exist.

Meanwhile numerous conferences have been held during the last two weeks between Marquis Ito and his followers, and Count Katsura, Marquis Yamagata and other members and supporters of the present Cabinet, the result of which is now confidently announced in the form of a definite understanding between the Government and the leaders of the Seiyukwai in reference to the approaching session of the Diet. The details of the agreement have not yet been made public; but it is understood that, while the Government will again introduce its measures for naval expansion based upon the continuation of the land tax at the rate of three per cent., it will not insist on that source of revenue; but that, when its own proposals shall have been rejected by the Lower House, the Cabinet will accept the measures proposed by Marquis Ito, viz., to provide for the increase of the navy by means of administrative retrenchments, the postponement of certain public undertakings and, if necessary, the issue of bonds.

All are agreed as to the necessity of the naval increase; and it is evident that the recent developments in relation to Manchuria have emphasized the need of reaching a settlement on the question of ways and means lest any alternative solution of the deadlock, such as the dissolution of the Diet or the joint resignation of the Cabinet, should result in further delay at a very critical time.

During the present serious situation as to Manchuria the tone of the Japanese press has been remarkably moderate. The fact may be attributed to factors in the domestic political situation which have led the opposition papers to minimize the situation lest it should serve to strengthen the present Cabinet.

The

The understanding above described is welcomed by most of the independent and influential papers of the country, though some impatience is displayed at the temporizing nature of the financial programme proposed in a matter of such urgent importance. It is thought that the dissatisfaction already apparent in certain sections of the Seiyukwai may be increased by the arrangement of the party leaders with the Government, and that very likely the entente already existing between the Constitutionalists and the Progressives (Count Okuma's party) may be destroyed. It is generally taken for grahted, however, that Marquis Ito and Count Katsura, in reaching their basis of agreement, have taken into consideration all these contingencies and that the ensuing session of the Diet will pass the measures for naval expansion.

I have the honor to be,

Sir,

Your obedient servant,

Huntington Wilson.

TELEGRAM RECEIVED IN CIPHER.

DIPLOMATIC BUREAU MAY 14 1903

ASSISTANT SECRETARY, MAY 13 1903

Sent by cable May 13, 03

From TOKIO,

May 13, 1903.

Received 7:17 a. m.

Secretary of State,

Washington.

Governor of Philippines requests extradition embezzler. In view of the fact that the Japanese Government will consider the extradition to involve extension Philippine Islands of the other treaties, await further instructions before acting. Fugitive on board the steamer leaving for Vancouver 16th.

HUNTINGTON WILSON.

INDEX BUREAU MAY 16 1903 FILED

Deciphered by C.C's Office, May 13, 1903. 9:40

UNITED STATES LEGATION.
TOKIO.

No.729.

May 16 1903.

ASSISTANT SECRETARY,
JUN 5 1903

CHIEF CLERK,
JUN 8 1903
Department of State.

DIPLOMATIC
JUN 12 1903
BUREAU.

INDEX BUREAU
RECD.
JUN 8
1903
DEPT. STATE

Ans. July 13
To Postmaster Gen
Recd June 13/03

Mr. Huntington Wilson

to the Secretary of State.

SUBJECT:-Weight of tea samples allowed duty free.

INDEX BUREAU
JUN 8 1903
FILED

UNITED STATES LEGATION.
TOKIO.

No. 729. May 16, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to enclose copy of a letter from Messers George H. Macy & Co., American tea merchants, to the effect that they find the present limitation of mail samples of tea to 3 ounces unsatisfactory for commercial purposes and hope that the limit of 12 ounces in force prior to 1898 may be restored.

In reply to a question on the subject the Director General of Posts and telegraphs informed me that he had made telegraphic inquiry and been informed by the United States Postmaster General that duty free tea samples were still limited to three ounces.

I have the honor to be,

Sir,

Your obedient servant,

Huntington Wilson.

ENCLOSURE:- As above stated.

Copy.

Geo. H. Macy & Co., Yokohama,

6th May 1903.

Charge d'Affaires,

United States Legation, Tokio.

Dear Sir:

In June 1898 the U. S. Congress imposed a duty on Tea, and shortly afterwards the Japanese postal authorities, in accordance with instructions received from the Treasury Department at Washington, through the American Minister, fixed the limit of weight for mail samples of tea at 3 ounces. Larger samples being dutiable the local postal authorities refused to accept them. The 3 ounce size is all but useless for commercial purposes. Previous to the duty we had been permitted to send mail samples up to the weight (12 ounces) authorized by the Postal Union

The duty on tea having been abolished the 1st of January the restrictions and limitations above-mentioned ought to have been removed. The Yokohama postal superintendent refuses to accept, however, any samples of tea in excess of 3 ounces weight, in the absence of any modification of the regulations by his superiors in the Department. It therefore is evident that the Washington Treasury Department has neglected to restore the old orders. We brought the matter to the attention of the Consul General here, and were advised to refer the matter to you, and we shall be pleased if you will take what steps are necessary to correct the same.

We are, dear sir,

Yours very truly

Signed: Geo. H. Macy & Co.

UNITED STATES LEGATION,
TOKIO.

DIPLOMATIC
JUN 9 1903
BUREAU.

No. 730.

May 20, 1903.

CHIEF CLERK,
JUN 8 1903
Department of State.

INDEX BUREAU
REC'D.
JUN
8
1903
DEPT. OF STATE

Ans. June 10/03

Mr. Huntington Wilson

to the Secretary of State.

Subject:

The question of Waite's extradition.

UNITED STATES LEGATION.
TOKIO.

No. 930. May 20, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to confirm my telegram:

" Tokio, May 13, 1903.

"Secstate, Washington.

" Governor of Philippines requests extradition embez-
"zler. In view of the fact that the Japanese Government
"will consider the extradition to involve extension to the
"Philippine Islands of the other treaties, await further
"instruction before acting. Fugitive on the steamer leav-
"ing for Vancouver sixteenth.

" Huntington Wilson . "

and your telegraphic instruction in reply, reading:

"Washington, May 13, 1903.

"Wilson, American Charge d'Affaires, Tokio.

" This Government does not acquiesce in view that re-
"quest for extradition of fugitive from Philippines, under
"treaty expressly applicable to offences committed within
"(quote) 'jurisdiction' (quote) of either Government in-
"volves extension to Philippines of other treaties. Request
"should be made with this reservation.

" Hay. "

On the 12th instant I received from our Consul at Nagasaki a telegram transcribing one which he had received from Governor Taft, containing a description of one Edward L. Waite, then on board the steamship Tartar, and the request that he be arrested and held pending the arrival of

an

an officer with papers. The Governor stated that Waite was charged with embezzlement and falsification of accounts.

In view of the correspondence about extradition which had previously passed between this Legation and the Government of the Philippines,- notably in the recent case of Wilson and in the similar case of Leon M. Norcross in December, 1900, I saw no reason to doubt that the conditions of extradition under our treaty with Japan were known to the Governor. However, to be quite sure, I enquired by telegram on the 12th whether the funds embezzled were public funds, whether Waite was a public officer or depositary, and whether a warrant had been issued.

When the first telegram reached the Legation the Tartar was between Nagasaki and Yokohama and was to sail for Vancouver on the 16th. There was therefore no time to be lost in case extradition might be sought. I therefore despatched the above telegram to the Department as a further necessary preliminary to a possible request for extradition.

According to a later telegram from the Governor Waite was the cashier of a private bank of which he had embezzled some of the funds. So that the offence was, in any case, not extraditable.

I have the honor to enclose a copy of the Consul's telegram and of my telegrams to and from Governor Taft, and also copy of the telegrams relating to the former case of Norcross.

In compliance with the telegraphic instruction I have the honor to confirm above no request for extradition from Japan to the Philippines will be made except with the reservation that the extension of our extradition treaty

to

to those islands shall not be considered to involve such extension of our other treaties.

I have the honor to be,

Sir,

Your obedient servant,

Huntington Wilson.

Enclosures:

1. Copy of telegrams relating to Waite.
2.. Copy of telegrams relating to Horoross.

No. 1

Enclosure with Mr. Huntington Wilson's

No. 730 of May 20, 1903.

Telegram received.

Nagasaki, May 11, 1903.

American Legation, Tokyo.

Received following cablegram this noon: "Manila eleven. Cause arrest and hold Edward L. Waite on board "steamer Tartar. Age 25, height six feet, weight hundred "seventy, dark complexion, brown eyes, black hair, parts "in center, smooth face, handsome, neat dresser. Charged "embezzlement and falsification of accounts. Officer and "papers follow on report of arrest. Taft". Tartar sailed this afternoon Waite aboard passage paid to San Francisco. I informed master of charges. Will keep watch. Notified Lyon of request and of telegraph to you.

HARRIS.

Telegram sent.

Tokyo, May 12, 1903.

Governor Taft, Manila.

Japanese Government wishes to know definitely were funds embezzled public funds; was Waite public officer or depositary; has warrant been issued.

HUNTINGTON WILSON, Chargé.

Telegram received.

Manila

Manila, May 13, 1903.

Wilson, Chargé U.S. Embassy,

Tokyo.

Waite cashier private bank. Embezzled bank funds. Felony warrant issued. Will forward formal requisition upon notice of detention.

TAFT.

Telegram sent.

Tokyo, May 15, 1903.

Governor Taft, Manila.

Offence not extraditable under our treaty.

HUNTINGTON WILSON.

Telegram received.

Manila, May 18, 1903.

Wilson, Chargé U.S.Legation,

Tokyo.

Telegraph present whereabouts Waite. If departed name of vessel and destination.

TAFT.

Telegram sent.

Tokyo, May 18, 1903.

Governor Taft, Manila.

Steamship agents assure me Waite remained aboard Tar-

tar

tar bound Vancouver leaving Yokohama sixteenth. Leave further action entirely to you.

HUNTINGTON WILSON.

Enclosure No. 2 with Mr. Huntington Wilson's
No. 730 of May 20, 1903.

Telegram received.

Manila, December 16, 1900.

United States Minister,

Tokyo, Japan.

Leon M. Norcross absconded with five hundred dollars gold embezzled private money. Said to be on steamship Lindula due Kobe eighteenth. Can you affect detention pending extradition, papers to be forwarded through State Department.

MACARTHUR.

Telegram sent.

Tokyo, December 16, 1900.

MacArthur, Manila.

Must have official information that warrant of arrest has been issued.

BUCK.

Telegram received.

Manila, December 17, 1900.

U.S.Minister, Tokio.

Warrant of arrest for Norcross was issued by local court in regular course of criminal prosecution.

MACARTHUR.

Telegram

Telegram sent.

Tokyo, December 17, 1900.

MacArthur, Manila.

Cannot secure extradition for embezzlement private funds.

BUCK.

Telegram sent.

Tokyo, December 17, 1900.

MacArthur, Manila.

Cannot secure extradition for embezzlement private funds.

BUCK.

No. 252.

TELEGRAM RECEIVED IN CIPHER.

Secretary of State.
JUN 27 1903
DIPLOMATIC
JUN 29 1903
BUREAU.

From Tokio,

May 31, 1903.

Received 12.55 P. M.

Secretary of State,

Washington.

Special Navy appropriation has passed the Lower House. Three battle ships will be built abroad. I believe if you would speak strongly to the Japanese Minister chances of getting orders placed in America will be greatly improved.

Huntington Wilson

INDEX BUREAU
JUN 30 1903
FILED

ciphered by JRB, Chief Clerk's Office, 9.40 A. M., June 1.

File

UNITED STATES LEGATION.
TOKIO.

No. 5. June 1, 1903.

BUREAU REC'D JUN 22 1903 DEPT. OF STATE

Mr. Huntington Wilson

to the Secretary of State.

Subject:

Customs facilities for Prince George of Bavaria,--

confirming telegram.

INDEX BUREAU JUN 24 1903 FILED

UNITED STATES LEGATION.
TOKIO.

No. 4. June 1, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to confirm my telegram of this date, as follows:

"Secstate, Washington.

"Customs courtesies San Francisco requested for Prince "George of Bavaria travelling incognito steamship Korea.

"Huntington Wilson."

Prince George is returning home by way of the United States, travelling as Count Wartenburg. Since his departure the German Minister here has spoken to me about facilities' being extended to His Royal Highness upon his arrival at the Customs House of San Francisco.

I have the honor to be,

Sir,

Your obedient servant,

Huntington Wilson.

DEPARTMENT OF STATE

5/9 JUN 1903

DIPLOMATIC

JUN 5 1903

BUREAU

TELEGRAM RECEIVED.

Confirmed

16 Govt

Sent to Govt Pavilion St Louis

OFFICE OF CLERK'S OFFICE

RECEIVED

From Tokio

June 5, 1903.

Received 9.20 A.M.

Sec State,

Washn.

Confirmed June 5 1903

Japanese Diet have passed appropriation Eight hundred thousand yen fors St Louis Expositin. Huntington Wilson

INDEX BUREAU JUN 5 1903 FILED

UNITED STATES LEGATION,
TOKIO.

No. 737.

June 6, 1903.

INDEX BUREAU
REC'D.
JUN
29
1903
DEPT. OF STATE

DIPLOMATIC
JUN 30 1903
BUREAU.

Mr. Huntington Wilson

to the Secretary of State.

INDEX BUREAU
JUN 30 1903
FILED

SUBJECT:-Japanese Government's appropriation for St. Louis Expotion.

INDEX BUREAU
REC'D.
JUN
29
1903
DEPT. OF STATE

DIPLOMATIC
JUN 30 1903
BUREAU.

UNITED STATES LEGATION.
TOKIO.

No. 732. Confidential. June 10, 1903.

Ans. June 30

Mr. Huntington Wilson

to the Secretary of State.

INDEX BUREAU
JUN 30 1903
FILED

Subject:

Ship-building for Japanese Government.

UNITED STATES LEGATION.
TOKIO.

.752. Confidential. June 10, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I beg to confirm the cipher telegram which I had the honor to dispatch to you on the 31st ultimo, which read:

"Special navy appropriation has passed the Lower "House. Three battleships will be built abroad. I be- "lieve if you could speak strongly to the Japanese Minister "chances of getting orders placed in America would be great- "ly improved."

The appropriation passed provides for the expenditure of about 100,000,000. yen for ship-building during the next eleven years, apportioned as follows:

Years	Yens
1903	2,687,682.
1904	6,701,077.
1905	8,547,229.
1906	8,754,042.
1907	10,401,094.
1908	10,887,132.
1909	11,105,187.
1910	11,163660.
1911	12,232,643.
1912	11,356,367.
1913	5,024,187.
Total	99,860,303., to March 1914.

I got from the Navy Department the information that the

the naval increase contemplated included three battleships, to be built abroad, and probably five or six cruisers, to be built, if possible, in Japan.

I have been impressed with the fact that American manufacturers have not in the past had a satisfactory share of the ship-building for the Japanese Government. And, owing to the English training of the majority of the personnel of the Navy Department here, to the force of precedent, and perhaps somewhat to the sentiment of the Anglo-Japanese Alliance, one cannot help fearing that the proposals of the various builders may not now be considered exclusively on their merits.

I have therefore thought it my duty to spare no effort to secure for the American ship-builders an absolutely fair chance to get the orders, believing that some of the orders would in that case certainly go to America.

After doing everything possible here I sent the above telegraphic dispatch thinking that a telegram from Mr. Takahira might have good results as showing that our Government took an interest in seeing a fair share of the next orders placed in the United States.

I have the honor to be,
Sir,
Your obedient servant,
Huntington Wilson.

INDEX BUREAU
REC'D.
JUN
29
1903
DEPT. OF STATE

UNITED STATES LEGATION.
TOKIO.

ASSISTANT SECRETARY,
JUN 30 1903

No. 733.

June 10, 1903.

DIPLOMATIC
JUL 1 1903
BUREAU.

Mr. Huntington Wilson

to the Secretary of State.

Ack. by auth. of Sec. of State July 3/13

INDEX BUREAU
JUL 7 1903
FILED

Subject:

The work of the 18th session of the Diet.

UNITED STATES LEGATION.
TOKIO.

No. 733. June 10, 1903.

To the Honorable John Hay,

Secretary of State,

Washington, D.C.

Sir:

I have the honor to report that the special session of the Diet, convened on May 8th, closed on the 5th instant. The only important legislation was the measures for naval increment.

As stated in my dispatch No. 728 of April 30th as probable, the Government reintroduced its measures for increase of the navy based upon a continuation of the land tax at an increased rate, failure to accept which had led to the dissolution of the preceding session. The Government's measures were again rejected in committee and the Diet was prorogued for a period of three days.

When the Parliament reassembled the Government withdrew its land tax bill and the measures connected with it, substituting for it a new set of bills providing for the revenue necessary for the naval increment as follows:

By transfer from fund for construction of railways and other public works per annum	Yen 5,000,000.
By administrative retrenchments per annum	1,000,000.
By domestic loan per annum.	5,700,000.

The domestic loan was to be floated in the form of bonds, not for the purpose of building naval vessels but nominally for the construction of railways and other public undertakings.

After considerable opposition the measures were passed substantially

substantially as above.

In spite of the understanding arrived at between Marquis Ito and Count Katsura, referred to in my former dispatch, it was only by the most strenuous efforts that the former was able to hold his party in line and carry out his part of the compact. Since the closing of the Diet a number of influential members have resigned from the party including Mr. Kataoka, for four successive sessions President of the House of Representatives.

The press of the country comment upon the work of the session in tones of negative satisfaction in that the naval measures were passed and the Diet escaped dissolution; but the Government had to abandon its land tax bill and the Seiyukwai's loss of prestige has been great. The resort to a domestic loan at this juncture is also generally unpopular.

By a large majority the House of Representatives passed two resolutions censuring the Government for its conduct of matters connected with the stock exchanges and with text books for the public schools. It is possible that the Ministers concerned may offer their resignations and that a reconstruction of the Cabinet may follow.

The Government estimates for representation at the St. Louis Exposition were passed; but the appropriations for public works in Formosa and elsewhere were either greatly reduced or rejected.

I have the honor to be,

Sir,

Your obedient servant,

Huntington Wilson.

DIPLOMATIC
JUN 18 1903
BUREAU

CHIEF CLERK,
JUN 18 1903
Department of State.

TELEGRAM RECEIVED IN CIPHER.

From Tokio,

June 18, 1903.

Received 9.30 a.m.

Secretary of State,

Washington.

Request authority to expend two thousand dollars repairing legation; also to purchase furniture with unexpended balance contingent fund.

GRISCOM.

INDEX BUREAU
JUN 23 1903
FILED

ciphered by J.R.G., 9.38.

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
JUL 17 1903
BUREAU.

No.2.

June 22, 1903.

DIPLOMATIC BUREAU

INDEX BUREAU REC'D JUL 17 1903 DEPT. OF STATE

DEP'T OF STATE
JUL
17
1903
2ND ASS'T SECRETARY

Pick and file.

ack'd.

Mr. Griscom

to the Secretary of State.

INDEX BUREAU FILED

Subject:

Mr. Griscom's audience.

UNITED STATES LEGATION.
TOKIO.

.2.

June 22, 1903.

To the Honorable John Hay,
Secretary of State,
Washington.

Sir:

I have the honor to inform you that I arrived in Japan on the 12th instant, and that I have this day been received in audience by His Majesty the Emperor. I presented my letter of credence to His Majesty and at the same time made a brief address, a copy of which is enclosed herewith. The Emperor replied in a few gracious words and, as a copy of his remarks has been furnished me by the Grand Master of Ceremonies, I transmit it enclosed herewith. After the audience with the Emperor Mrs. Griscom and I were received by the Empress.

Since my arrival in Japan I have been welcomed and received by the Japanese both officially and privately in a manner which has been cordial and in every way in keeping with the long established amity and good will existing between the United States and Japan. On the 15th instant I made my first call on Baron Komura, the Minister for Foreign Affairs, and we exchanged expressions of the most friendly sentiments.

On my arrival at Yokohama I attended a reception in my honor at the house of Consul General Bellows, and a large proportion of the prominent American residents attended and extended me a cordial welcome to Japan.

In taking over the affairs of this Legation I wish to state that my observation is that from the time of the death of my distinguished predecessor until the moment of my arrival, the business of the Legation has been conducted by

Mr.

Mr. Wilson and Mr. Ferguson in a manner at once so able and so judicious that it is deserving of special mention to the Department. Both Japanese and Americans have gone out of their way to express to me their appreciation of the ability and courtesy of these gentlemen, and I have pleasure in bringing it to the knowledge of the Department.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd C. Griscom.

nclosures:

1. Mr. Griscom's address to H.M. the Emperor.
2. The Emperor's reply,—copies.

Enclosure No. 1 with Mr. Griscom's No. 2, June 22, 1905.

I have the honor to inform Your Imperial Majesty that the President of the United States has appointed me Envoy Extraordinary and Minister Plenipotentiary to reside near the Person of Your Imperial Majesty.

I wish to assure Your Imperial Majesty that I am deeply conscious not only of the high honor which has been conferred upon me but also of the grave responsibilities and duties incumbent upon my office. It will be my endeavor to do all within my power to maintain the good relations so happily existing between the Empire of Japan and the United States and I can only hope that my efforts will meet with Your August approval and that I may be received with the same spirit of amity and good will which has always been extended to the representatives of my country.

I am charged by the President to place in Your Imperial Majesty's hands the letter accrediting me in the capacity of Envoy Extraordinary and Minister Plenipotentiary and at the same time to express verbally to Your Imperial Majesty the President's cordial wishes for the continued welfare and prosperity of Your Imperial Majesty and the people of Japan.

Enclosure No. 2 with Mr. Griscom's No. 2, June 22, 1903.

Translation.

We are informed by your letter of credence that the President of the United States has appointed you Envoy Extraordinary and Minister Plenipotentiary to reside in Japan. We are confident that you will faithfully perform the duties of your office and that the friendly relations existing between the two countries will grow more and more intimate.

UNITED STATES LEGATION.
TOKIO.

RECEIVED. JUL 17 1903 BUR.ACCOUNTS. DEP. OF STATE.

No. 3.

June 22, 1903.

INDEX BUREAU REC'D. JUL 17 1903 DEPT. OF STATE

Mr. Lloyd C. Griscom

to the Secretary of State.

INDEX BUREAU FILED

Subject:

Transmitting letter of credit.

file

UNITED STATES LEGATION.
TOKIO.

No. 3. June 22, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to enclose herewith, duly signed, the original of my letter of credit covering my drafts upon Messrs. Seligman Brothers of London for salary as Minister of the United States to Japan and for the contingent expenses of the Legation.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd C. Griscom.

Enclosure:

Letter of credit as noted.

Received July 17. 1903 and
forwarded to Bankers
July 18. 1903.
F. M.

UNITED STATES LEGATION.
TOKIO.

INDEX BUREAU
REC'D.
JUL
17
1903
DEPT. OF STATE

RECEIVED
JUL
17
1903
BUR. OF ACCOUNTS
DEPT. OF STATE

No. 4.

June 24, 1903.

Answ.
July 18

Mr. Griscom

to the Secretary of State.

INDEX BUREAU
JUL 22 1903
FILED

Subject:

Newspaper subscriptions.

UNITED STATES LEGATION.
TOKIO.

No. 5.

June 24, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to request that the subscriptions for the New York Tribune and the San Francisco Chronicle, for this legation, be renewed for the next fiscal year.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd C. Griscom.

UNITED STATES LEGATION.
TOKIO.

No. 4.

June 24, 1903.

INDEX BUREAU RECD. JUL 17 1903 DEPT. OF STATE

DIPLOMATIC JUL 17 1903 BUREAU

DEP'T OF STATE JUL 17 1903 2ND ASST SECRETARY

DIPLOMATIC BUREAU
Ack. by Number and File,
awaiting from.
ised report.

Mr. Griscom

to the Secretary of State.

INDEX BUREAU JUL 17 1903 FILED

Subject:

"Whiskey Case".

UNITED STATES LEGATION.
TOKIO.

No. 4.

June 24, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to acknowledge the receipt of your instruction No. 447 of the 9th ultimo relating to the American Trading Company's claim against the Japanese Government in the "Whiskey Case".

At a later date a full report will be made of the further action of the Legation in that matter.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd C. Griscom.

DIPLOMATIC
JUL 25 1903
BUREAU.

UNITED STATES LEGATION.
TOKIO.

No.5. June 29, 1903.

INDEX BUREAU
REC'D.
JUL
20
1903
DEPT. OF STATE

Mr. Griscom

to the Secretary of State.

INDEX BUREAU
JUL 29 1903
FILED

SUBJECT:-Japan will take part in the St. Louis Exposition.

UNITED STATES LEGATION.
TOKIO.

No. 5. June 29, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

With reference to dispatch No.731 of the 6th instant, I have now the honor to transmit herewith a copy of the Japanese Government's formal acceptance of the invitation to participate in the comming Louisiana Purchase Exposition.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd Griscom.

ENCLOSURE:-Baron Komura to Mr. Griscom, June 24, 1903.

COPY NOTED Chief Clerk. COPIES MADE.

Translation No.24.

Department of Foreign Affairs,

Tokio, June 24, 1903.

His Excellency

Lloyd C. Griscom,

Envoy Extraordinary and

Minister Plenipotentiary

of the United States of America.

Monsieur le Ministre,

With regard to the invitation to participate in the International Exhibition which was to be held in St. Louis, Missouri, in 1903, I had the honour to reply that the Imperial Government regretted their inability to meet the desires of the United States Government because of the Fifth National Industrial Exhibition being held in Osaka in the same year.

But I now have the honour to inform Your Excellency that I am in receipt of a note from the Minister for Agriculture and Commerce stating that, in deference to the statement in the late United States Minister's note No. 360 dated the 3rd June last to the effect that the St. Louis International Exposition had been postponed for one year, i.e. to 1904, the Imperial Government have decided to take part willingly in the proposed International Exhibition. I therefore beg to request that you will be so good as to communicate the above to the United States Government.

I avail myself of this occasion to renew to Your Excellency the assurances of my highest consideration.

(Signed) Baron Komura Jutaro,

Minister for Foreign Affairs.

UNITED STATES LEGATION.
TOKIO.

DEP'T OF STATE
JUL
20
1903
2ND ASST SECRETARY

DIPLOMATIC BUREAU
Grant leave
Advise Minister Grissom
aak

INDEX BUREAU
REC'D.
JUL
20
1903
DEPT. OF STATE

July 2, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to make application for a leave of absence from my post, with permission to visit the United States, to take effect after next September 1st.

I have the honor to be,

Sir,

Your obedient servant,

John M. Ferguson

DIPLOMATIC
UNITED STATES LEGATION.
TOKIO.
JUL 20 1903
BUREAU.

July 2, 1903.

No. 4.

INDEX BUREAU
REC'D.
JUL
20
1903
DEPT. OF STATE

Mr. Griscom

to the Secretary of State.

INDEX BUREAU
JUL 27 1903
FILED

SUBJECT:- Enclosing Mr. Ferguson's application for leave of absence.

DIPLOMATIC BUREAU
Ack & file. Aug 8.

UNITED STATES LEGATION.
TOKIO.

AUG 12 1903

No.6.

July 14, 1903.

Confidential.

ASSISTANT SECRETARY,

AUG 12 1903

INDEX BUREAU REC'D. AUG 10 1903 DEPT. OF STATE

FOR RELS. 1903.

Mr. Griscom

to the Secretary of State.

Ack. Aug 13/03

DIPLOMATIC BUREAU AUG 12 1903

SUBJECT:-Manchurian Question. Expected action of Japanese Govt.

INDEX BUREAU AUG 15 1903 FILED

UNITED STATES LEGATION.
TOKIO.

July 14, 1903.

No. 6.

CONFIDENTIAL.

To the Honorable John Hay,

Secretary of State,

Washingtom.

Sir:

I have the honor to confirm my cipher telegram of this date reading as follows:

"Secstate, Washington.

" Confidential. I am creditably informed that "Japan proposes soon to address the Russian Govern- "ment directly at St.Petersburg regarding Manchuria. "Japan apparently desires to act alone without the "knowledge of the United States and Great Britain.

"Griscom."

The Government of Japan appears to have been for some time past gradually working up to the point of seeking a solution of the situation in Manchuria by direct negotiations with the Russian Government at St.Petersburg. The Japanese Minister at Peking has been endeavoring to the best of his ability to strengthen the Chinese Government in its attitude towards the Russian demands concerning Manchuria. About the 18th of June the Chinese Government went so far as to send a memorandum to the Russian Minister, Mr. Lessar, wherein it was set forth that the Russian demands could not be conceded. Mr. Lessar returned this Memorandum to the Chinese Government with the statement that it could not possibly be made the basis for future

negotiations

negotiations. Although this result is in a measure satisfactory yet the Japanese Government apparently considers that there is little prospect of arriving at a definite settlement of the Manchurian Question by any negotiations at Peking. It would seem evident that a practical solution can be reached only by taking the matter up with the Russian Government at St.Petersburg, or at least it is to this conclusion that the Japanese Government has now arrived. I may say that my information was given me confidentially and unofficially but it comes from a source worthy of full credence. In a recent interview I asked the Minister for Foreign Affairs if his Government had addressed the Russian Government directly and he replied that "The reports we have done so are untrue. The moment for "such a step has not yet arrived." This statement confirmed what I had already been told, namely, that the Japanese Government has determined to negotiate with Russia without the assistance or even knowledge of the United States and Great Britain. It is inclined to the view that an independent representation by Japan would carry more force and weight than any joint or similar representation by three Powers with a pretence of united action which is not, as the Russian Government knows, the result of any actual alliance.

The present Japanese Ministry is inclined, apparently, to approach Russia in a friendly spirit but with firm intention of bringing about a full discussion of the Manchurian Question. I am given to understand that the steps to be taken have not yet been precisely determined. The Ministry for Foreign Affairs is carefully considering the various methods of approaching Russia and the nature of the proposals to be made. This Cabinet, if allowed a free hand, will undoubtedly make some move. The only element

of

of doubt lies in the present condition of Japanese domestic politics. In order to understand the situation it is necessary to bear in mind that the Prime Minister and his Cabinet are not absolute in their power. The consent of the Emperor must be obtained before any important measure or policy can be definitely determined upon. The Emperor never takes an important decision without first consulting the men who are called the "Elder Statesmen"of the Empire. There are four or five of these "Elder Statesmen"but Marquis Ito and Marquis Yamagata are the two whose words carry the greatest weight and their power over the Emperor is very great. The"Elder Statesmen"are not an organized official body created by the Constitution, but the Emperor gives their advice such great consideration that they are quite as effective and quite as much to be considered as if duly and legally constituted a part of the Government. The interference of the"Elder Statesmen" has grown to be very obnoxious to the Prime Minister and his Cabinet. To cite an instance which occurred a few days ago I may mention that Marquis Ito, the leading "Elder Statesman", is generally credited with strong Russophile sentiments. He considers the Manchurian Question settled and if allowed his own way would not permit Japan to interfere further with Russia. About two weeks ago he visited the British Minister and gave him his views about the situation in Manchuria. The Minister cabled these views to his Government and reported to Baron Komura, the Minister for Foreign Affairs, that he had done so. As Marquis Ito's views are by no means the views of the Government, the Prime Minister at once brought this incident to the knowledge of the Emperor and demanded that the Marquis Ito be compelled either himself to take up the reins of government

or

or else refrain in the future from interfering with and embarrassing the present Government. At the same time the Prime Minister objected to the dual position which Marquis Ito has been holding,-namely-chief adviser to the Emperor, as an "Elder Statesman," and at the same time leader of the "Seiyukai", a large and powerful political faction, hostile to the present Government. To make his arguments more forcible the Prime Minister, on the 3rd instant, presented his resignation to the Emperor and withdrew to his country place. The rest of the Cabinet did not resign so there has been no change of government. As a political move the Prime Minister's action has been apparently successful. The Emperor obliged Marquis Ito to resign from his leadership of the "Seiyukai" Political Party and has appointed him President of the Privy Council, along with Marquis Yamagata and Count Matsugata, the other two leading "Elder Statesmen". In the Privy Council their power and action will be much restricted. The Privy Council has hitherto been looked upon somewhat as the tomb of statesmen whose political utility has reached its close. To-day the Prime Minister has returned to Tokio and again taken in hand the reins of government. The internal political crisis is over and the Government is generally conceded to be stronger that ever.

The above mentioned political crisis has such a direct bearing on Japanese foreign relations that I have explained it somewhat at length. The Government returns to power strengthened and it is now in a position to carry out the policy previously determined upon,-of opening up the Manchurian Question by direct negotiation with Russia. I am informed that the "Elder Statesmen" without whose acquiesence a final decision is impossible have given their

consent

consent. Under the circumstances I deemed it advisable to telegraph you that such action is impending. The Government appears to be proceeding with great deliberation and some time is likely to elapse before any move is made. But the very slowness and care with which it is acting, shows that any rebuff on the part of Russia would be taken most seriously.

The Japanese Government acts so secretively that it will be difficult to know the exact nature of any further negotiations with St. Petersburg. I have very good reason to think that, in spite of the Anglo-Japanese Alliance, the Japanese are not taking the British Government into their confidence at the present time. My British colleague intimated to me that he thought it might be advisable for our Governments to insist on taking part in any negotiations regarding Manchuria. It may be fairly expected that, if Japan acts independently and bears the brunt of possible disagreeable consequences, she will not do so with any intention of advancing the intrests of the United States and Great Britain.

We have no knowledge here as to how a proposition by Japan to discuss the Manchurian Question would be received by the Russian Government. I may say in this connection however that reports from China indicate more clearly than ever that the Russians have no intention of evacuating Munchuria. The British Charge d'Affaires at Peking recently telegraphed his Government that the Russian officials of all grades in China are now openly declaring that Russia is in Manchuria permanently. The Russian Minister in Tokio recently made such a declaration to a high Japanese official. It seems that among Russian officials an understanding has been reached that the pretence about evacuation may be dropped. It is difficult to imagine what

points

points of any importance Russia would be willing to discuss with Japan, and so it is hardly to be hoped that any great practical results will be accomplished by such a discussion. It is not improbable that Russia will forestall any approaches of Japan by bringing forward some conciliatory propositions of its own, designed to stay for the moment the action of other powers. I would respectfully request that this Legation be informed by telegraph if Russia makes any statement to our Government concerning Manchuria.

I would like to submit for the consideration of the Department a suggestion concerning the situation in Manchuria: Of the seven demands recently made by the Russian Chargé d'Affaires at Peking, the most important would seem to be the sixth, referring to a sanitary commission or quarantine. It needs no argument to show the great power wielded by a quarantine system over shipping and commerce. My suggestion is that the United States, Great Britain and Japan, acting separately, should officially notify the Chinese Government that they will recognize no system of quarantine in the various parts of the Chinese Empire, other than the general system of the Chinese Government, and that in the event of a quarantine system being established by a foreign power in any part of the Chinese Empire such system will be disregarded by the shipping of our respective nationalities.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd C. Griscom.

No. 282.

DEPT OF STATE JUL 14 1903 INDEX BUREAU

TELEGRAM RECEIVED IN CIPHER

DIPLOMATIC JUL 14 1903 BUREAU.

DEP'T OF STATE JUL 14 1903 2ND ASST SECRETARY

Confirm - From TOKIO,

CONFIDENTIAL. July 14, 1903.

FOR RELS. 1903.

Received 9:30 a. m.

Secretary of State,

Washington.

File D.P.

Confidential. I am creditably informed that Japan proposes soon to address the Russian Government directly at St. Petersburg regarding Manchuria. Japan apparently desirous to act alone, without the knowledge of the United States and Great Britain.

GRISCOM.

INDEX BUREAU JUL 20 1903 FILED

Ciphered by Miss Green

CC's Office

DIPLOMATIC BUREAU
AUG 10 1903

Ack & file-

UNITED STATES LEGATION,
TOKIO.

No.7.
Confidential.

July 20, 1903.

DIPLOMATIC
AUG 31 1903
BUREAU.

INDEX BUREAU
REC'D.
AUG
10
1903
DEPT OF STATE

Ack Aug 5/1/03
file D.G.S.

Mr. Griscom

to the Secretary of State.

Subject. Russian activity in Korea.

INDEX BUREAU
SEP 2 1903
FILED

UNITED STATES LEGATION.
TOKIO.

No. 7. July 20, 1903.

Confidential

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

Through the courtesy of the British Minister, Sir Claude MacDonald, I am enabled to transmit to you herewith enclosed, a copy of a despatch from Mr. J. N. Jordan, British Minister to Korea, to the Foreign Office in London, in relation to the political situation in Korea.

The information contained therein was obtained by Mr. Porter, one of the ablest members of the British Government's Consular Service, on a journey which he made into the disturbed districts lying on either side of the Yalu River. His report fully confirms the newspaper reports received here concerning the activity of the Russians in that part of Manchuria bordering on Korea. Up to the present there has been no trespass by Russian soldiers on Korean territory. On the 19th ultimo I telegraphed to Mr. Paddock at our Legation in Seoul, as follows:

"American Charge, Seoul.

"How serious is reported trespassing of Russian "timber cutters into Korea?"

"Griscom."

and received a prompt reply from him, as follows:

"American Minister, Tokio. Seoul, June 20, 1903.

"Russian company beginning to work timber con- "cessions. Rumors of trespassing up to the present "seemingly unfounded.

"Padock."

I

I have to report that I am this day in receipt of information to the effect that the Russian Government has made a formal demand on Korea for a concession to build a railroad from the town of Wiju at the mouth of the Yalu river, to Seoul. This demand is the result of the recent conference at Port Arthur attended by General Kuropatkin, Russian Minister of War, General Alexieff, Governor General of Port Arthur, Mr. Lessar, Russian Minister at Peking and Mr. Pavloff, Russian Minister at Seoul. Up to the present two results of this important conference have transpired:first,-the statement by Russia as to its willingness to agree to the opening of more free ports in Manchuria, providing no foreign settlements are granted, etc., and, second,-the demand upon Korea for a railroad concession as set forth above.

I am informed unofficially that under no circumstances will Japan permit the granting of this concession. The matter is likely to be the cause of much diplomatic controversy at Seoul. The Russians appear to be trying on the one hand to pacify the world in regard to Manchuria and on the other to quietly strengthen their position in every possible way.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd C. Griscom

ENCLOSURE:

Copy of Despatch, as noted.

Enclosure with Mr. Bruce's Despatch No. 9, July 20, 1903.

Copy of dispatch from Mr. J. N. Jordan, H.B.M's. Minister to Seoul, to the British Minister for Foreign Affairs.

No. 84.
Confidential.

SEOUL, 7th July, 1903.

My Lord,

Mr. Porter, who recently accompanied Lieutenant Colonel Ducat, Military Attache to H.M.'s Legation at Peking, on his visit to the Yalu region, and who subsequently came on here to join the staff of this Legation, is at present engaged in preparing a report of his journey which I hope shortly to have the honour of submitting to Your Lordship.

In the meantime, I think it right to forward at once some interesting items of information which Mr. Porter has been instrumental in procuring about Russian proceedings in that quarter.

The document which forms inclosure No. 1 in this Despatch is the summary of a private letter which Mr. Porter has just received from a Chinese telegraph clerk at Sha Ho Tzu (Antung) with whom he arranged to maintain an occasional correspondence. The document itself presupposes a knowledge of the local circumstances and to make it more intelligible, Mr. Porter has added some notes of his own by way of commentary, which I likewise have the honour to enclose herewith.

The writer deals in the first place with the incident which occurred at Sha Ho Tzu on the 25th May last when the

Chinese

Chinese Commandant there exasperated by the outrageous conduct of the Chinese freebooters in Russian employ, resorted to reprisive measures against his unruly compatriots and killed some ten of their number. Sha Ho Tzu was at that time held by a force of 60 Russian Cossacks, which has since been increased to 118, and this exercise of authority on the part of the Chinese Commandant who was supposed to act merely as the local figurehead of the de jure administration, had its natural result. The unfortunate officer was arrested and tried by a mixed Commission composed of a Russian Commissioner and two Chinese civil officials and has now been sent under a Russian Guard to Mukden, where he is not likely to receive much consideration at the hands o f the complaisantly pro-Russian Tartar-General.

The second part of the letter, supplemented by Mr. Porter's interesting comments, fully corroborates the numerous reports which had already reached this (Legation ?) of the high-handed manner in which the Russians monopolise and appropriate by a system of forced purchase all the timber trade on the Yalu. In the notorious ex-brigand Lin Chi they seem to have found a very efficient agent for this kind of work.

The two incidents related above amply justify in themselves the severe strictures which have been passed in the Japanese press on the protection and countenance which the Russian Authorities are openly extending to the professional law-breakers/ known as mounted highwaymen, who for a generation or more have been the terror of Manchuria.

From Sir Charles Scott's Despatch No. 119 of the 27th April last it appears that Count Lamsdorff ridiculed the idea of Russia having made any demand for the right of using China's telegraph lines or for the exclusion and re-

striction

striction of foreign trade with Manchuria.

As regards the latter point, I have already in my Despatch No. 77 of June 26th recorded the unmistakable impression made upon the Japanese Minister and myself by our conversations with our Russian colleague here, while in my telegram No. 11 of June 13th I had the honour to inform Your Lordship, on the authority of the Commissioner of Customs at Chemulpo who had himself visited the place and tested the question by sending a telegram to Moscow, that the telegraph line from Sha Ho Tzu was under Russian control.

From the inclosures in this despatch it will be seen that the statement was practically accurate although the Chinese at that time still retained a semblance of authority over a small portion of the line. Even that has now been denied them, the terminus of the line having been removed to the Russian barracks and all connection with the Chinese instruments refused.

The most appropriate comment on the situation is perhaps the quaint reflection contained in the telegraph clerk's concluding words -"curious conditions and quite annexation".

I have the honour to be etc etc etc

(Sd) J. N. Jordan.

Resume of letter from Chinese Telegraph Clerk at Sha Ho Tzu to Mr. Porter.

June 21st, 1903.

---------- In the evening of the day you left (14th June) the Russian Commissioner from Mukden arrived at Sha Ho Tzu bringing with him both the Chinese civil officials of Mukden who have been deputed by the Tartar-General to assist the Russian Commissioner. They also brought with them the two Chinese military officers who had attacked and killed some ten or more of the robbers who had been stationed at Sha Ho by the Russians because they had caused trouble and ill treated the people and become daily more insulting to the Chinese soldiers there. The Russians were "very angry" and sent for the Chinese officers to complain about this and eventually sent them under arrest to Feng Huang Cheng. The Russian Commissioner came to Sha Ho to investigate this affair. --------- The Russians took a lot of trouble over the case in their endeavor to discover why "their robbers" had been killed, but we outsiders do not know what the defense of the Chinese officers was, nevertheless they have been held responsible and have been sent to Mukden with a guard of twenty Russian soldiers. The Commissioner has gone to Yong Am Po to have a look at the place. I hear that they are building a corrugated iron godown there and that fresh works are being carried out every day. The Commissioner is to go to Port Arthur in a few days time direct from Yong Am Po by steamer.

Prior to this wood rafts had been seized by the Russians

sians and marked with a Russian mark and had Russian flags placed on them, and any sale of them to other parties been forbidden . This had "quite incensed" the owners and upon the arrival of the Commissioner they went in a body to complain. A decision was to have been given in a few days time but the question is so far still unsettled. The Commissioner has since gone away.

I have heard that a number of rafts bearing Russian marks and flying Russian flags had been detained at Wiju by the Japanese and the Russian flags exchanged for Japanese flags. This has been complained of to the Russians but I do not know what will be the outcome of it.

The Russian troops are drilling every day. The Chinese telegraph line has been removed to the Russian barracks but they have their own instrument. The Russian operator is not living in our office any longer, and if we have any telegrams to send we have to go to his place to send them because they have refused to connect the line to the instruments at our office. We have reported this matter to our head office. It is "curious conditions and quite annexation". ----------

(Sd) WONG WEN BIN.

Notes on the subjects mentioned in the Letter

from the Chinese Telegraph Clerk at Sha Ho.

Killing of Robbers at Sha Ho Tzu.

On my arrival at Sha Ho Tzu on the 11th June I heard various rumours of a recent street fight between Chinese troops stationed in the town and some brigands, and by dint of inquiry elicited the following story for which my authorities are a Danish missionary stationed at Sha Ho, the District Magistrate, the Chinese Telegraph operator and the merchant with whom I stayed. As none of these people differed to any great extent in their accounts of the matter, I have reason to believe that the account I obtained is substantially correct.

About two months previous to my arrival in Sha Ho a number of Chinese "brigands" in the employ of the Russians who had brought them down from the T'ung Hua and Huai Jen districts arrived at Sha Ho and took up their quarters in the town . They were seen to be wearing Russian badges on their shoulders and so no hindrance was placed in their way. Gradually however the began to commit robberies,rape women and carry off men for ransom and generally to make themselves a terror to the neighborhood. Complaints to the Russian Commandant at Sha Ho Tzu elicited only the statement that these men were in Russian employ and were used for conveying wood rafts down the river and could not be interfered (with?). Eventually getting bolder through their fancied impunity, they began to openly insult the Chinese Commandant who is permitted by the Russians to reside at Sha Ho with a small force of two hundred soldiers,

until

until at last on the 25th of May the Commandant, Wu, sallied forth and fought them in the streets of the town, killing nine and wounding others. The Russians were extremely angry at this and an officer was sent from Feng Huang Cheng to demand compensation at the rate of 1000 dollars per man. This was refused, and they then arrested Wu and carried him off to Feng Huang where he remains under arrest pending trial by a Russian Commissioner.

Prior to the arrival of these robbers Sha Ho had always been a very quiet place and entirely free from brigands of any description.

Wood Rafts on the Yalu.

Since the Russians have been taking an active interest in their timber felling Concession the native trade in wood has been much interfered with.

At the Russian Concession at Yong Am Po on the Korean side of the river, they keep a man on the look out and when any particularly fine logs come down the river they are stopped, marked in some manner with a Russian sign, beflagged with Russian flags and "purchased". The Agent for the Russians for these transactions is a certain Lin Chi, a notorious character who until recently ~~[illegible]~~ a brigand guilty of countless crimes for which he has long since been sentenced to death by the Chinese Authorities , now basks in the sunshine of Russian protection and is busily employed in filling his pockets with the squeezes he gets out of these so-called purchases of wood. If the unfortunate owner of the wood complains that the wood is his and has already another destination, he is not listened to but told to come back another day when he will be paid for his wood. When he does eventually come for his money he invariably gets less than half the actual value of the wood. In

fairness

fairness to the Russians it is only right to say that they probably pay Lin a great deal more for the wood than Lin pays the owners. The Magistrate at Sha Ho has been petitioned by the local wood merchants and has reported the matter to his superiors and also written to the Russians at Yong Am Po remonstrating with them.

While at Sha Ho, I heard two or three rifle shots fired, and on my arrival at Wiju I was informed that some coolies who had failed to stop a raft sufficiently promptly when ordered to do so , had been fired on by the Russians and two of them had been killed. I did not see them shot, neither did I hear anything about it at the time, but I was repeatedly assured at Wiju on very good authority that it was a fact.

The Chinese Telegraph Line.

At Ta Tung Kou the telegraph line is still in Chinese hands and run by a Chinese operator. From there a single wire goes to Sha Ho Tzu where the line, although still ostensibly in Chinese hands, is under the joint control of a Chinese and a Russian operator. At Sha Ho the line divides into two of which one goes to Chiu Lion Cheng whence it used formerly to cross the Yalu into Korea, but has been disconnected by the Chinese in conjunction with the Koreans subsequently to the Russian occupation of Manchuria. The other wire goes to to Feng Huang Cheng and is, or rather was at the time I was at Sha Ho, still under Chinese management as far as T'ien Shui Chan, not far from Liao Yang. In spite of the fact that it is supposed to be under Chinese management the Chinese operators at Sha Ho are not allowed to send telegrams beyond Feng Huang, and longer telegrams than usual to that place ~~xxxx~~ are looked upon with

suspicion

suspicion by the Russians who always want to know what they are about.

Russian Troops at Sha Ho.

There were 60 Russian Cossacks at Sha Ho until June 12th when this force was suddenly increased to 118 men with two quick-firing guns. They are relieved periodically from Feng Huang.

(Sd) H. PORTER.

No. 282.

TELEGRAM RECEIVED IN CIPHER.

Copy sent to Mr. Rockhill

DIPLOMATIC BUREAU. JUL 22 1903

ASSISTANT SECRETARY, JUL 21 1903

From TOKIO,

Received July 20, 1903.

FOR RELS. 1903.

INDEX BUREAU JUL 27 1903 FILED

Secretary of State,
Washington.

Confidential. Referring to my telegram of 14th, I am creditably informed Japan will propose:

First: Integrity of China and Chinese sovereignty in Manchuria to be maintained;

Second: Russia not to administer Manchuria or keep troops therein except necessary guards near railroads;

Third: Japan to recognize all Russian rights in Manchuria based on treaties and conventions now published.

Fourth: Russia to recognize that Japan is interested in a peculiar degree politically as well as commercially and industrially in Korea, as already stated in Anglo-Japanese treaty alliance.

GRISCOM.

Deciphered by M. G. C.C's Office, July 21, 1903. 11:30

UNITED STATES LEGATION.
TOKIO.

Aug Aug 12/03
Feb 83

No. 8. July 21, 1903.



Mr. Griscom

to the Secretary of State.



Subject:

Requesting permission to lease land in front of Legation.



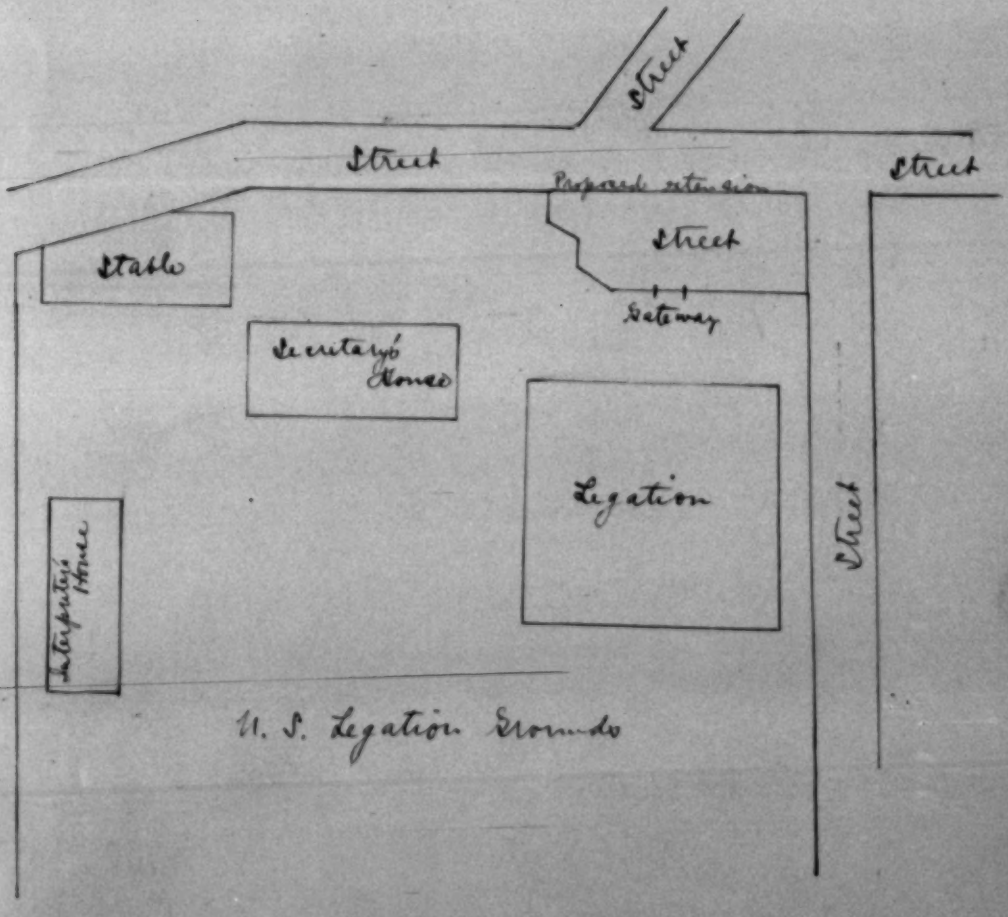
UNITED STATES LEGATION.
TOKIO.

No. 8 July 21, 1903.

To the Honorable John Hay,
Secretary of State,
Washington.

Sir:

I have the honor to request that I be authorized to sign a contract of lease with the government of the City of Tokyo which will add a small but necessary piece of land to the plot already leased by this Legation. The following sketch map presents the matter much more clearly than any written description:



The proposed extension indicated in red ink is now part of the street and is the property of the City Government. After considerable difficulty I have been able to persuade

persuade the city officials to consent to this increase. The only stipulation they make is that a separate lease for the new bit of land be executed and that the lease be fixed for a term of thirty years, renewable if we wish, and a nominal annual rental of Yen 9.02 or $ 4.49 gold.

The amount of rental is so small that I hope the Department will see fit to permit me to make this very valuable addition to the Legation property. It is an opportunity which in my opinion should not be lost. The improvement which the increase would make to our property is evident from the above drawing, but it is even more evident from an actual view of the grounds. It straightens what is now a very ugly and irregular street front and adds about 2,700 square feet of land to that already leased by the Legation.

I believe that the annual appropriation usually made for the rent of the Legation grounds is ample to cover this slight increase, so that a new appropriation is not necessary. We pay a rent of approximately $200 at present and the annual appropriation is $250. An increase of nine yen would make our total rent only $204.49.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd C. Griscom.

UNITED STATES LEGATION,
TOKIO.

DIPLOMATIC
AUG 21 1903
BUREAU.

No.9.
Confidential

July 22, 1903.

DIPLOMATIC BUREAU
Ack & file.

DEP'T OF STATE
AUG
20
1903
2ND ASST SECRETARY

INDEX BUREAU
RECD.
AUG
10
1903
DEPT OF STATE

Mr. Griscom

to the Secretary of State.

FOR RELS. 1903.

SUBJECT:- Manchurian Question-Basis for settlement to be proposed by Japan to Russia.

INDEX BUREAU
AUG 26 1903
FILED

UNITED STATES LEGATION.
TOKIO.

No. 9. July 22, 1903.

Confidential.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to confirm my cipher telegram of the 20th instant reading as follows:

"Secstate, Washington.

"Confidential: Referring to my telegram of four-
"teenth, I am creditably informed Japan will propose
"First:-Integrity of China and Chinese sovereignity
"in Manchuria to be maintained. Second:-Russia not
"to administer Manchuria or keep troops therein ex-
"cept necessary guards near railroads. Third:-Japan
"to recognize all Russian rights in Manchuria based
"on treaties and conventions now published. Fourth:-
"Russia to recognize that Japan is interested in a
"peculiar degree politically as well as commercially
"and industrially in Korea, as already stated in Ang-
"lo-Japanese Treaty of Alliance.

"Griscom."

The above message supplements my telegram of the 14th instant wherein I stated that I had been creditably informed that Japan would shortly make overtures to the Russian Government at St.Petersburg with a view to opening up a discussion of the situation in Manchuria. Since the 14th instant I have been placed in possession of a littlemore detailed information concerning the nature of the proposals which Japan will make, and I therefor deemed it advisable to telegraph you further. The information reaches me from

the

the same source referred to in my despatch of the 14th instant and, as I have already stated, is unofficial but in my opinion worthy of full credence.

It appears that the Japanese Government will approach Russia in a friendly spirit and will begin by asking if Russia is willing to open a discussion of the Manchurian Question. If Russia gives a favorable reply Japan will then propose a discussion on the basis of the propositions set forth in my telegram. It will be seen that Japan will suggest an exchange whereby it will recognize the rights already possessed by Russia in Manchuria, based on treaties or conventions now published, and in return that Russia recognize that in Korea Japan is"interested in a peculiar "degree, politically as well as commercially and indus- "trially". I quote Article I. of the Anglo-Japanese Treaty of Alliance, as my information is that Japan will demand a very general recognition of her special intrest in Korea, on the same lines as explained in Article 1. of the Treaty of Alliance. I am not informed as to whether Japan's proposals include the remainder of Article 1., in which it is stated that"it will be admissable for either of them to "take such measures as may be indispensible in order to "safeguard those intrests etc., etc."

The Japanese Government is anxious to have the discussion proceed on very broad and general lines and to avoid details such as open ports in Manchuria, quarantine commision, the right to appoint Consuls, etc. Up to the present the matter is being conducted with secrecy. I have reason to suppose that a telegram will be sent to St.Petersburg in the course of the next few days.

In the event of Russia refusing to admit of a discussion of the question it is impossible to predict the course

which

which the Japanese Government will pursue. I am inclined to think that, if the present Government continues in power, it would take some decided action. Public opinion in Japan, without being bellicose, is strong for some settlement of the disturbed situation in the Far East. The Japanese press is practically unanimous on the subject.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd C. Griscom.

DIPLOMATIC
AUG 24 1903
BUREAU.

UNITED STATES LEGATION.
TOKIO.

No.10. July 28, 1903.

INDEX BUREAU
RECTD.
AUG
24
1903
DEPT. OF STATE

No. 9 Tallack to Adee
Aug 26/03

Mr. Griscom

to the Secretary of State.

Japan asks Secretary of the Actuarial Society of America, New York, Acknowledgement of Congress Despatch 9

SUBJECT:-Congress of Actuaries. Japan to be represented.

INDEX BUREAU
AUG 29 1903
FILED

UNITED STATES LEGATION.
TOKIO.

No. 10. July 28, 1903.

To the Honorable John Hay,
Secretary of State,
Washington.

Sir:

Referring to the Department's Circular Note of May 3, 1902, wherein instructions were given to make known to the Japanese Government that the Fourth International Congress of Actuaries was to be held in New York in September 1903 and to invite them to be represented, I have the honor to inform you that the Japanese Government have decided to send Mr. Kotaro Shida, L l. D., Professor of the Higher Commercial School, temporarly attached to the Department of Commerce and Agriculture, as a delegate to the coming Congress.

I have the honor to be,
Sir,
Your obedient servant,

Lloyd C. Griscom.

UNITED STATES LEGATION.
TOKIO.

No. 44.

July 29, 1903.

DIPLOMATIC
AUG 31 1903
BUREAU.

INDEX BUREAU
REC'D.
AUG
31
1903
DEPT. OF STATE

Dept. 1/03

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to enclose herewith the usual "Annual Furniture Schedule" together with a complete inventory of the books, records, and other property of the Government in this Legation.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd Griscom.

ENCLOSURE:-As above stated.

INDEX BUREAU
SEP 8 1903
FILED

Enclosure with Mr. Griscom's No. 72 of July 29 1903.

INVENTORY

BOOKS IN THE LIBRARY OF THE UNITED STATES LEGATION,

Tokio, Japan, July 29, 1903.

International Law.

Title of Work	No. of Vols.
Vattel, Law of Nations	1
Marten, Summary of the Law of Nations	1
Puffendorf, Law of Nature and Nations	1
Savigny, Private International Law	1
Story, Conflict of Laws	1
Gardiner, International Law	1
Gratius, War and Peace, Whewell	3
Polson, Law of Nations	1
Westlake, Private International Law	1
Woolsey, International Law	1
Wharton, International Law Digest with Appendix	3
Another edition of the same	3
Pillmore, International Law	4
Wheaton, Elements of International Law	1
More on Extradition	2
Hall, International Law	1

Constitutional Law.

Story of the Consitution	2
Rawle on the Constitution	1
Baldwin on the Constitution	1
Sargent on the Constitutional Law	1
Towle, on the Constitution	1
Paschal, Annotated Constitution	1

Admiralty and Maritime Law

Conklin, Admiralty Jurisdiction	2
Benedict, Admiralty	1
Curtis, Admiralty Digest	1
Parsons on Shipping and Admiralty	2
Tudor, Leading Cases, Mercantile and Maritime Laws	2
Abbot, Admiralty Reports	1
English Admiralty Reports	9

General Laws

Kent's Commentaries	4

Blackstone's Commentaries----------2
Stephen's Commentaries----------4
Greenleaf on Evidence----------3
Parsons on Contracts----------3
Brightly's Digest of U. S. Statutes----------2
Brightley's Federal Digest----------2
Cooley on Constitutional Limitations----------1
Summer's C. C. Reports----------3
Bond's C. C. Reports----------2
Bateman's Commercial Law----------1
Hilliard on Torts----------2
Hilliard on Remedies for Torts----------1
Holcomb's Leading Cases of Commercial Law----1
Morse on Arbitration and Award----------1
Parsons on Partnership----------1
Story on Bailments----------1
Story on Agency----------1
Edwards on Bills----------1
Bouvier's Law Dictionary----------2

Political etc.

Madison's Papers----------3
Elliot's Debates----------5
Washington's Writings----------12
Jefferson's Writings----------9
Hamilton's History of the Republic----------7
Adam John's Works----------10
Webster's Speeches----------3
The Federalist----------2
Burke's Works----------12
Smith's Adam, Works----------1
de Toqueville's American Institutions----------1
Benton's Thirty Years and Abridgement of Debates----------2
Draper's Civil Policy in America----------1
Draper's American Civil War----------3
Draper's Intellectual Development of Europe--1
Webster's Unabridged Dictionary----------1
Greeley's American Conflict----------2
Mill's Political Economy----------2
Grove's Greek and English Pronouncing Dictionary----------1
Latin-English Pronouncing Dictionary----------1
French-English Pronouncing Dictionary----------1
German-English Pronouncing Dictionary----------o1
New American Cyclopaedia, 16 Vols. and 11 Vols an annual---27
Macaulay's Works----------12
Hallam's History of England, Middle Ages-----6
Bancroft, United States----------9
Hume's England(Hume 6, Smollet 4,Hughes 7)--14
Froude's England----------6
Hildreth, United States----------5
Palfrey, New England----------3
Millman, Christianity----------3
Rawilinson, Great Empires----------3
Alison, Europe----------3
Buckle, Civilization----------3
Prescott's Works----------13
Gibbon's Decline and Fall of Roman Empire----8
Gizot, History of Civilization----------2
Grote, Greece----------12
Smith, Modern History and French Revolution--5

Drake, American Biographical Dictionary------1
Appelton, Mercantile Dictionary----------1
Appelton, Cyclopaedia of Biography----------1
Colton's Larcon----------1
Scott's Works
(Poetical 1, Napoleon 3, Novels 48)----52
Spectator----------6
Dickens' Works----------26
Lamb's Works----------4
Carlyle's Works----------15
de Quincy's Works----------16
Coper's Works----------32
Bryant's Poems----------1
Duyckink's Cyclopaedia of American Literature2
Duyckink's History of the World----------4
Motley's Works----------4
Milton ----------11
Shakespeare's Works----------4
Byron's Works----------17
More's Works----------1
Burn's Works----------2
John G. Whittier's Works----------2
Percival's Works----------2
Hawthorn's Works----------17
Lowell's Works----------2
Holmes's Works----------1
Parkman's Works----------6
Dickson's Japan----------1

Legal.

Story's C. C. Reports----------3
Clifford's C. C. Reports----------2
Woodbary and Minot's Reports----------3
Curtis' C. C. Reports----------2
Pine's Reports----------2
Blatchford's Reports----------9
Hare and Warren's American Leading Cases-----2
Daniell, Chancery Pleading and Practice------3
Benntt's Leading Criminal Cases----------2
Opinions of the Attorney General----------13
Warren's U. S. Supreme Court Records---------23
Curtis' Decisions of the Supreme Court------22
Black's Reports----------2
Howard's Reports----------7
Statutes at Large-with Index----------37
Smith's Leading Cases----------2
Revised Statutes of the United States---------2
The Same with Suppliment----------1
Charters and Constitutions of the United States-----2
Treaties and Conventions of the United States1
Consular Regulations of the United States----5
Hickey's Constitution of the United States---1
Consular Jurisdiction, Secretary of State----1
Boissonade's Civil Court of Japan(Pamphlet)--2
Boissonade's Criminal Court of Japan(")----2
Sawyer's U. S. Reports, 9th Judicial District---------13
Supreme Court Reports
(Vols. 91 to 176, inclusive)------86
Sidmore's Digest of Leading Consular Cases---1
Regulations of Consular Courts----------2

Collections, Laws and Ordinances of Japan--244

Miscellaneous

Census of the United States(1900)----------2
Curzon's Problems of the Far East----------1
Brinkley's Japanese-English Dictionary-------2
Protocols of Conference of Treaty Revision
(1882) ----------1
The Times Atlas----------1
Worcester's Dictionary Unabridged----------1
Murray's Handbook of Japan----------1
Nakamura's English, Chinese and Japanese
Dictionary---------2
Japanese Radical Dictionary----------1
Penal Code of Japan (in French)----------1
U. S. Japan Expedition, Com. M. C. Perry-----3
Messages and Papers of the Presidents-------10
Lonholm's Commercial Code of Japan----------2
" Law of Registration----------1
" Civil Code of Japan----------1
" Condition of Foreigners under the
new Treaties----------1
Chamber lain's Written Language, Japanese----1
Lonholm's Digest----------1
Western Union Telegraphic Code(1902)---------1
Treaties in Force(1899)----------1
Foreign Relations with Appendix----------1
Commercial Relations(1902)----------L
Hubell's Legal Directory----------1
Gubbins' Civil Code of Japan----------2
Island of Formosa, J. W. Davidson----------1

OFFICIAL RECORDS OF THE UNITED STATES LEGATION, TOKIO.

Mr. Harris.

Dispatches from the Department of State----------1
" to " " " "----------1
Notes from the Japanese Government----------5
The same (with Mr. Pruyn)----------1
Notes to the Japanese Government and Misc.--------2
" from " " " " "----------2
The same with Mr. Pruyn----------1

Mr. Pruyn.

Dispatches from the Department of State----------1
" to " " " "
(with Mr. VanValkenburgh)----------1
Notes from the Japanese Government----------5
" to " " " and Misc.----------1
Notes from Miscellaneous----------6
The same with Mr. Harris----------1
Miscellaneous Papers----------1

Mr. VanValkenburgh.

Dispatches to the Department of State----------2
" from " " " "----------1
Notes from the Japanese Government----------6
Notes to ditto and Miscellaneous----------1
Notes from the Japanese Government and Misc.------6
Miscellaneous Papers----------3

Mr. DeLong.

Dispatches from the Department of State----------3
" to " " " "----------1
Notes from the Japanese Government----------12
Notes from Miscellaneous----------13
Miscellaneous Pa pers----------3
Special Claims----------3

Mr. Bingham.

Dispatches from the Department of State----------16
" to " " " "----------6
Notes from the Japanese Government----------19
" to " " " ----------3
From Miscellaneous----------27
To " ----------4

OFFICIAL RECORDS OF THE UNITED STATES LEGATION, TOKIO.

Mr. Harris.

Dispatches from the Department of State----------1
" to " " " "----------1
Notes from the Japanese Government----------5
The same (with Mr. Pruyn)----------1
Notes to the Japanese Government and Misc.---------2
" from " " " " "----------2
The same with Mr. Pruyn----------1

Mr. Pruyn.

Dispatches from the Department of State----------1
" to " " " "
(with Mr. VanValkenburgh)----------1
Notes from the Japanese Government----------5
" to " " " and Misc.----------1
Notes from Miscellaneous----------6
The same with Mr. Harris----------1
Miscellaneous Papers----------1

Mr. VanValkenburgh.

Dispatches to the Department of State----------2
" from " " " "----------1
Notes from the Japanese Government----------6
Notes to ditto and Miscellaneous----------1
Notes from the Japanese Government and Misc.------6
Miscellaneous Papers----------3

Mr. DeLong.

Dispatches from the Department of State----------3
" to " " " "----------1
Notes from the Japanese Government----------12
Notes from Miscellaneous----------13
Miscellaneous Pa pers----------3
Special Claims----------3

Mr. Bingham.

Dispatches from the Department of State----------16
" to " " " "----------6
Notes from the Japanese Government----------19
" to " " " ----------3
From Miscellaneous----------27
To " ----------4

Mr. Hubbard.

Dispatches from the Department of State----------8
" to ditto (with Mr. Bingham's No.6)---1
" " " (2 and 3)----------2
Notes from the Japanese Government----------8
The same with Mr. Bingham's No. 3----------1
Notes to the Japanese Government (marked 2)-------1
From Miscellaneous----------8
Ditto with Mr. Bingham's No. 4----------1
Ditto marked 2----------1
The Fullert Case----------1
The Kernan Case----------1

Mr. Swift.

Dispatches from the Department of State----------3
" to " " " " ----------1
Notes from the Japanese Government----------3
To the Japanese Government with Mr. Hubbard-------1
From Miscellaneous----------3
To Miscellaneous with Mr. Hubbard----------1

Messrs. Swift and Dun.

From the Department of State----------1
From the Japanese Government----------1
From Miscellaneous----------1

Mr. Dun.

From the Department of State----------2
From the Japanese Government----------2
From Miscellaneous----------2

Mr. Coombs.

From the Department of State----------2
To ditto with Mr. Swift----------1
From the Japanese Government----------2
To ditto with Mr. Swift----------1
From Miscellaneous----------2
To ditto----------1

Mr. Dun.

From the Department of State----------8
To ditto----------1
To ditto with Messrs. Swift and Coombs----------1
To Miscellaneous----------1
From the Japanese Government----------8
To ditto with Mr. Coombs----------1
The Peace Negotiation betw. China and Japan-------1
The Bush Case----------1
To Miscellaneous with Mr. Coombs----------1
From Miscellaneous----------8

Mr. Buck.

From the Department of State.----------9
Ditto " " (With Mr. Ferguson)-1
To " " (" Mr. Dun)------1
Ditto " " (" Mr. Ferguson)-1
Notes from the Japanese Government----------66
Ditto--(with Mr. Ferguson)----------1
To ditto--(with Mr. Dun)----------1
To ditto--(with Mr.Ferguson----------1
From Miscellaneous----------9
Ditto--(with Mr. Ferguson)----------1
To Miscellaneous--(with Mr. Dun.)----------1
To ditto--(with Mr.Ferguson.)----------1

MISCELLANEOUS RECORDS

Passport Record Books. 1 Record Book. 1 Copy No. 25
Cipher Code of the Department of State and Pamphlet No. 25.
Mololyptic Code and Appendix to Department's Code 1876.
Records of Japanese Passports, Leases, Contracts, etc.

ANNUAL FURNITURE SCHEDULE.(OFFICE)

United States Legation, Tokio, Japan, July 29, 1903.

6 writing desks
1 typewriter desk
1 sofa
4 revolving chairs
1 office bureau
1 case for records
3 sets of curtains (Minister's office)
1 wash stand
2 Remington typewriters
1 Hammond ditto
1 copy press
1 small mirror
2 stoves
3 letter scales
2 office seals for wax
1 large Legation seal with press attached
1 paper punch
1 new steel safe
inkstands, erasers, stationary, etc.
1 coat of arms
1 large national ensign, 1 medium flag
1 office carpet, 4 rugs
8 sets of book shelves
Department mail pouches, keys, seal and lead for pouches
1 round paper stand
1 table
1 cabinet for forms
1 table cover
1 standing desk
2 armchairs
4 leather covered office chairs.

I hereby certify that the foregoing annual furniture schedule includes and describes the office furniture of this Legation.

John M. Ferguson.

Tokio, July 29, 1903.

ANNUAL FURNITURE SCHEDULE.

U. S. Legation, Tokio, Japan, July 29, 1903.

Residence Furniture.

20 keyaki chairs, leather-covered
2 " dinner wagons
1 " dinner extension table
1 " sideboard
4 sets of curtains
4 white hollands
1 set, fire-irons
1 wooden coal scuttle

Drawing Room No. 1

1 settee, upholstered
8 easy chairs
1 percival three seated ottoman
1 oblong consul table
5 white hollands
5 sets of curtains
1 coal scuttle

Drawing Room No. 2

1 settee
3 easy chairs
1 percival three seated ottoman
2 footstools
2 sets of curtains
2 white hollands
1 set of fire-irons
1 coal scuttle

Library

1 keyaki table
1 " book case
2 easy chairs
2 armchairs
5 sets of curtains
5 white hollands
1 set of fire-irons
1 coal scuttle
4 keyaki chairs upholstered in silk

Hall.

1 keyaki hat rack

Bed Rooms.

4 keyaki bed steads
7 patent woven wire matresses
7 horse hair matresses
4 toilet tables
7 wash stands
2 davenports with plush
9 feather pillows

Miscellaneous.

Electric light fixtures throughout the building
Awnings
1 water tank
Brussels carpet in dining room, library and hall
Brussels carpets in large bed room , formerly in drawing room
1 plain table
1 bath tub (Secretary's House)
1 sage green woolen rug.

I

Ihereby certify that the foregoing annual furniture schedule includes and describes all the furniture in the residence portion of this Legation.

John M. Frazer

Tokio, July 29, 1903.

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
AUG 31 1903
BUREAU.

No.II.

August 6, 1903.

INDEX BUREAU
RECD.
AUG
31
1903
DEPT. OF STATE

Mr. Griscom

to the Secretary of State.

SUBJECT:- Whiskey Case. Reconsideration urged.

INDEX BUREAU
SEP 2 1903
FILED

UNITED STATES LEGATION.
TOKIO.

No. 11. August 6, 1903.

Honorable John Hay,

Secretary of State,

Washington.

Sir:

On the 9th of May last the Department addressed to me an instruction wherein the argument of the Japanese Minister of Finance in regard to the claim of the American Trading Company arising out of a wrongful classification as alcohol of a shipment of "White Whiskey" was reviewed and answered at length. I was directed to convey to the Imperial Government either the general sense of the argument or, according to my discretion, a copy of the Department's instruction. The receipt of this despatch was acknowledged by me in the Legation's No.4 of June 24th last.

I have now the honor to inform you that on the 24th ultimo I called upon the Minister for Foreign Affairs and presented to him a note, a copy of which is enclosed herewith, wherein I informed him that the adverse decision of the Minister of Finance is not acceptable to my Government's view of the case and that it is expected that the Imperial Government will review the matter in the light of new arguments. Accompanying this note was a full copy of the Department's above mentioned instruction.

In presenting the note to the Minister I verbally reviewed the history of the case and stated to him that my Government is very desirous of having the matter settled and the claim of the American Trading Company paid.

The

The Minister replied that the arguments of the Department would receive the fullest consideration and, after consultation with his colleague, the Minister of Finance, he would inform me of the views of his Government.

The reply of the Minister when received by this Legation will be at once transmitted to the Department.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd C. Griscom.

ENCLOSURE:-Mr. Griscom to Baron Komura, June 24, 1903.-copy.

Enclosure, with Mr. Griscom's No. 11. of August 6, 1903.

Copy.

UNITED STATES LEGATION,

Tokio, Japan.

No.5. July 23, 1903.

H. E. Baron Komura Jutaro,

Etc., etc., etc.

Monsieur le Ministre,

On the 23rd of August last Your Excellency addressed a note to my distinguished predecessor Mr. Buck, and transmitted therewith a memorandum prepared by the Minister of Finance, relative to the claim of the American Trading Company against the Imperial Japanese Government. The conclusions reached by the Minister of Finance are adverse to the Company's claim, and are concurred in by Your Excellency.

I have now the honor to inform Your Excellency that my Government, after mature consideration, has no hesitancy in declaring that the conclusions thus reached are not agreeable to its understanding of the facts of the case. The views of my Government are fully set forth in a despatch which I have received and I am instructed to communicate to you either a copy or the substance thereof. I have therefore the honor to transmit to Your Excellency, herewith enclosed, a full copy of the despatch of my Government.

In compliance with my instructions I have the honor to inform Your Excellency that my Government expects a further consideration of the claim, with confidence that due reparation will be made to the claimant, after applying

to

to the issues involved those enlightened principles of justice and equity which His Majesty the Emperor has been pleased to give his full approval.

I take advantage etc,,

SIGNED. Lloyd C. Griscom.

DIPLOMATIC
SEP 14 1903
BUREAU.

UNITED STATES LEGATION.
TOKIO.

No.#.

August IO, I903.

INDEX BUREAU
REC'D.
SEP
14
1903
DEPT. OF STATE

Mr. Griscom

to the Secretary of State.

To Interior Dept. 15/9/03.

SUBJECT:-Hydrographic information unobtainable from Japanese Government.

UNITED STATES LEGATION.
TOKIO.

No. 4. August 10, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

Referring to the Department's unnumbered instruction of April 27th last requesting, on behalf of the Secretary of the Interior, certain hydrographic information from the Japanese Government, I have the honor to transmit herewith the reply of the Minister for Foreign Affairs to a note addressed to him on June 1st, regretting his inability to comply with the request on account of having no reports of the desired description.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd Griscom.

ENCLOSURE:- Baron Komura to Mr. Griscom, August 10, 1903.

nclosure with Mr. Griscom's unnumbered despatch of August 10, 1903.

Translation Copy.

Department of Foreign Affairs,
Tokio, August 8, 1903.

His Excellency
Llyod C. Griscom,
E. E. and M. P., U. S. A.

Monsieur le Ministre,

I have the honor to acknowledge the receipt of Your Excellency's note No. 413 dated the 1st June last requesting hydrographic information of this country.

I now beg to state that having referred the matter to the Minister for Home Affairs I am in receipt of a reply regretting his inability to meet your request on account of his having no reports of the desired description and to request that you will be so good as to communicate to the United States Government to that effect.

I avail myself etc. etc. etc.

Sgd. Baron Komura Jutaro,
Minister for Foreign Affairs.

TELEGRAM RECEIVED IN CIPHER.

DIPLOMATIC
SEP 16 1903
BUREAU.

DEP'T OF STATE
SEP
16
1903
2ND ASST SECRETARY

DIPLOMATIC BUREAU

From Tokio,

Confirm -

September 16, 1903.

Received 9/20 A. M.

Secretary of State,

Washington.

The Minister for Foreign Affairs wishes me to telegraph you his opinion that the recent Russian demands on China, if granted, would destroy value of any open ports in Manchuria, and would be inconsistent with policy of open door. He refers particularly to clause prohibiting leasing of land by foreigners.

GRISCOM

INDEX BUREAU
FEB 16 1904
FILED

Ciphered by the Chief Clerk's Office, 9.50 A. M.

DIPLOMATIC
OCT 14 1903
BUREAU.

UNITED STATES LEGATION.
TOKIO.

DEPT OF STATE
OCT
14
1903
2ND ASST SECRETARY

DIPLOMATIC BUREAU
Ack & file.

No. 12.

September 19, 1903.

INDEX BUREAU
REC'D
OCT
14
1903
DEPT OF STATE

Hard Oct. 15
filed

Mr. Griscom

to the Secretary of State.

INDEX BUREAU
OCT 19 1903
FILED

Subject:

Slaughter of birds on Midway Islands by Japanese

UNITED STATES LEGATION.
TOKIO.

No. 12. September 19, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to acknowledge the receipt of your Instruction No. 12 of the 15 ultimo on the subject of the destruction of birds on Midway and other islands of the Hawaiian group by Japanese subjects.

In a note to the Minister for Foreign Affairs, a copy of which is enclosed herewith, I have endeavored to bring the matter to the attention of the Imperial Government in the exact spirit indicated by your instruction.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd Griscom.

Enclosure:

Mr. Griscom to Baron Komura, September 19,--copy.

Enclosure with Mr. Griscom's No. 12, September 19, 1903,--copy.

17.

UNITED STATES LEGATION,

Tokio, September 19, 1903.

To his Excellency

Baron Komura Jutaro,

His Imperial Japanese Majesty's

Minister for Foreign Affairs.

Monsieur le Ministre,

I have the honor to inform Your Excellency that my Government has had its attention called to the fact that certain Japanese subjects are in the habit of going each year to the Midway and other islands of the Hawaiian group and destroying sea birds which congregate there in large numbers. The birds are killed in order to take the feathers, which, it is understood, have a considerable market value. The bodies of thousands of birds are left lying about to decay, and the resultant unsanitary conditions are the source of much complaint by the superintendant of the newly established cable station.

My Government has decided to put an end to the depredations in question and I am directed to bring the matter to the knowledge of Your Excellency, not by way of complaint, inasmuch as the Imperial Government could hardly be held responsible either for the acts of these trespassers or for the prevention thereof; but merely for your information, as indicating the desire and purpose of my Government to proceed in the matter with due regard to the sensibilities of the Imperial Government and with as little hardship to the marauders as may be possible.

I avail myself of this occasion to renew to Your Excellency the assurances of my highest consideration.

(Signed) Lloyd C. Griscom.

DEPT OF STATE
OCT
14
1903
2ND ASST SECRETARY

DIPLOMATIC BUREAU
Ack & file.

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
OCT 14 1903
BUREAU.

No. 13.
CONFIDENTIAL.

September 21, 1903.

Secretary of State,
OCT 14 1903

INDEX BUREAU
REC'D.
OCT
14
1903
DEPT OF STATE

FOR RELS. 1903.

Acknd Oct. 15

Mr. Griscom

to the Secretary of State.

SUBJECT:-Political situation regarding Manchuria.

INDEX BUREAU
OCT 19 1903
FILED

UNITED STATES LEGATION.
TOKIO.

No. 13.

September 21, 1903.

Confidential.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to confirm my cipher telegram of the 16th instant reading as follows:

"Secstate, Washington.

"The Minister for Foreign Affairs wishes me to tele-
"graph you his opinion that the recent Russian demands on
"China if granted would destroy the value of any open ports
"in Manchuria and would be inconsistent with policy of Open
"Door. He refers particularly to clause prohibiting leas-
"ing of land by foreigners.

"Griscom."

On the morning of the 16th instant I had an interview with the Minister for Foreign Affairs and we discussed at length the general political situation in the Far East. He furnished me with a copy of the recent demands made by Russia on the Chinese Government and told me that he had telegraphed them to Mr. Takahira and directed the latter to bring them to the knowledge of the Department. The Minister seemed to regard the Russian demands as of little importance with the exception of the clause which would prohibit the purchase or leasing by foreigners of lands large or small in Manchuria. This clause alone is sufficient to make the conditions objectionable to the foreign nations interested, and he stated to me his opinion that if the demands be granted they will destroy the value of any open ports in Manchuria, and will be inconsistent with the poli-

cy

cy of the "Open Door". He said that he thought this ought to be brought to your knowledge at once, by telegraph if possible, and so I informed him that I would telegraph his opinion to you that day.

In my telegrams of July 14 and 20 I informed the Department that Japan was about to open up negotiations with Russia at St.Petersburg for the amicable settlement of the Manchurian question. The negotiations were begun a few days after my second telegram, and in my recent interview with the Minister for Foreign Affairs he officially confirmed the fact. I asked him what progress the negotiations with Russia were making, and he replied, "They are making "no progress at all. The only desire of the Russian Gov- "ernment seems to be to delay matters." I asked him if he considered the situation critical. He replied, "Yes; it "is very serious. The Japanese people are getting into a "very excited condition." I said, "But the Government is "able to control them," and he replied, "Yes; we can con- "trol them, but the fact remains that something must be "done,--some action must be taken."

I report this interview somewhat in detail because of its serious nature. Baron Komura evidently wished to give me the impression that his Government is determined on a firm line of action, and that its patience is nearly exhausted.

When the negotiations referred to above were begun at St.Petersburg Count Lambsdorf received the Japanese propositions rather favorably. The appointment of Admiral Alexieff to be Viceroy of the Eastern Possessions came suddenly and for a time disturbed the situation so that the negotiations made no progress. The latest development is that about two weeks ago the Russian Government suggested that the negotiations be transferred to Tokio; therefore in accordance with Count Lambsdorf's desire this city has become

the

the scene of action. Japanese officials believe this move to be a result of Admiral Alexieff's appointment.

As all matters in relation to Manchuria must be referred ultimately to the Viceroy, it is supposed that Count Lambsdorf declined to be a simple intermediary and preferred to have the negotiations conducted in Tokio and to permit the Russian Minister here to communicate directly with the Viceroy. The unusual nature of this channel for diplomatic correspondence gives an excellent idea of the confusion which Admiral Alexieff's appointment has brought about in the political situation in the Far East. He is a great new factor and the policy he will pursue is not known. Until he declares himself in some way, it would be unwise to venture a prophecy as to the outcome of the present situation.

I have the honor to be,

Sir,

Your obedient servant,

Chas Cruserau.

DEPT OF STATE
OCT
19
1903
2ND ASST SECRETARY

DIPLOMATIC BUREAU

DIPLOMATIC BUREAU
OCT 20 1903
BUREAU.

INDEX BUREAU
RECD.
OCT
19
1903
DEPT. OF STATE

UNITED STATES LEGATION,
TOKIO.

September 28, 1903.

Noted and
To Commerce
& Labor Dept
Oct. 22

Mr. Griscom

to the Secretary of State.

INDEX BUREAU
OCT 26 1903
FILED

Subject:

Medical examination of emigrants for America.

UNITED STATES LEGATION.
TOKIO.

September 28, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to acknowledge the receipt of the Department's instruction of the 19th ultimo looking to preventing persons with loathsome or dangerous contagious diseases from immigrating into America, in pursuance of the objects of the Act of March 3 "to regulate the immigration "of aliens into the United States", and inquiring whether American officers at the Japanese ports of embarkation might by medical inspection facilitate those objects.

From my observation and inquiries I find at present no indications that there will be any objection if the officers of the United States Public Health and Marine Hospital Service now stationed at Yokohama, Kobe, and Nagasaki, who have hitherto subjected all emigrants bound for American ports to an examination for quarantinable diseases, extend their examination to contagious though non-quarantinable diseases such as trachoma, flavus, and tuberculosis. I understand, indeed, that those officers have at times exercised their duties in this new scope without objection.

In view of these facts I have thought best not to raise the question with the Japanese Government so long as the system works smoothly. Meanwhile I shall hold myself inreadiness to assist should any objection or difficulty arise.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd Griscom.

UNITED STATES LEGATION.
TOKIO.

OCT 29 1903
BUREAU.

No. 14.

September 30, 1903.

INDEX BUREAU RECD. OCT. 19 1903 DEPT. OF STATE

DEPT OF STATE OCT 28 1903 2ND ASST SECRETARY

DIPLOMATIC BUREAU
Write to the Companies as suggested by the Assistant Solicitor [See his opinion herewith.] Ack. Having attention. Have made inquiries of the Companies. Will instruct later.

Ans again Nov. 25, 1903 C

Ans and so Equitable L. Ins Co
" N.Y.L. Ins. Co. and
" Mutual L. Ins. Co.
Oct. 30, 1903 C.
file

Mr. Griscom

to the Secretary of State.

INDEX BUREAU NOV 3 1903 FILED

Subject:

American Insurance Companies and new Japanese requirements.

UNITED STATES LEGATION.
TOKIO.

No. 14.

September 30, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to transmit herewith enclosed a copy of a letter received from Mr. J. T. Hamilton, General Manager in the East of the Equitable Life Assurance Society of New York, and my reply thereto. It will be seen that Mr. Hamilton transmits to me a copy of a translation of an order, No. 146, issued by the Imperial Government of Japan, calling upon his Society to deposit with the Department, under the conditions described, and on or before the 31 of October 1903, the sum of One Hundred Thousand Yen, Japanese currency; and furthermore, to deposit from time to time such additional sums as may be necessary to cover the reserves on policies effected by the Society upon the lives of persons residing within the Japanese Empire. Mr. Hamilton states that "the interests of the Society require the "protection which can only be afforded by the diplomatic "representative of the Government of the United States of "America" and he solicits my "good offices in protection "and furtherance of the Society's just rights and interests "in this country". He implies that the law in question is an infringement of our treaty rights, and he informs me that "several British Insurance Companies have urged upon His "Britannic Majesty's Minister the illegality of the order "as being in opposition to that article of the treaties "which provides that no taxes shall be levied on the sub-"jects or citizens of the Contracting Powers greater than "those paid by native subjects or citizens, or subjects or "citizens of the most favored nation, &c." Mr. Hamilton invites

UNITED STATES LEGATION.
TOKIO.

No. 14.

September 30, 1903.

To the Honorable John Hay,
Secretary of State,
Washington.

Sir:

I have the honor to transmit herewith enclosed a copy of a letter received from Mr. J. T. Hamilton, General Manager in the East of the Equitable Life Assurance Society of New York, and my reply thereto. It will be seen that Mr. Hamilton transmits to me a copy of a translation of an order, No. 146, issued by the Imperial Government of Japan, calling upon his Society to deposit with the Department, under the conditions described, and on or before the 31 of October 1903, the sum of One Hundred Thousand Yen, Japanese currency; and furthermore, to deposit from time to time such additional sums as may be necessary to cover the reserves on policies effected by the Society upon the lives of persons residing within the Japanese Empire. Mr. Hamilton states that "the interests of the Society require the "protection which can only be afforded by the diplomatic "representative of the Government of the United States of "America" and he solicits my "good offices in protection "and furtherance of the Society's just rights and interests "in this country". He implies that the law in question is an infringement of our treaty rights, and he informs me that "several British Insurance Companies have urged upon His "Britannic Majesty's Minister the illegality of the order "as being in opposition to that article of the treaties "which provides that no taxes shall be levied on the sub-"jects or citizens of the Contracting Powers greater than "those paid by native subjects or citizens, or subjects or "citizens of the most favored nation, &c." Mr. Hamilton invites

invites my particular attention to Article II of the Treaty between Japan and the United States and makes the inference "that the impost now levied is framed for the purpose of protect- "ing native Insurance Companies by excluding from competi- "tion the great foreign companies."

In my reply to Mr. Hamilton's letter I asked if he had protested against the law in question or had taken any steps to induce the Ministry of Commerce to repeal or modify the order. I informed him that the question as to whether the new law applying to foreign Insurance Companies is in contravention of the Treaty between the United States and Japan is of such nature that I am unable to make a decision without referring the matter to the Department. In conclusion I expressed my willingness to informally represent to the Minister for Foreign Affairs that the date of October 31 is unreasonably near and request a postponement of the application of the law.

Mr. Hamilton had previously brought the matter to my attention verbally and I have had an opportunity of investigating the matter. On the 27 September, 1900, an Imperial Ordinance was issued containing the Regulations relating to Foreign Insurance Companies, Article 5 of which reads as follows:

"When judged necessary, the authorities may order the "foreign company to deposit with them a suitable amount of "money. In this case, the money may take the form of value "bonds approved of by the authorities."

No action was taken by the Minister of Commerce as authorized by the above permission until June 26 when, without previous notice, when Order No. 146, a translation of which accompanied Mr. Hamilton's letter above referred to, was issued by the Ministry. Articles 1 and 2 of this order read as follows:

1. "That the Society should make deposit of Yen 100, "000. in the Yokohama Branch National Treasury before Octo- "ber 31, 1903."

"If the amount of the reserve for the insurance con- "tracted for in Japan at the end of the preceding fiscal year

"year exceeds the amount given in the above requirement, "the deposit of the amount equivalent to the said reserve "should be made.

2. "If, in future, the amount of reserve for the in- "surance contracted for in Japan at the end of each fiscal "year should exceed the amount of the deposit already made, "the amount equivalent of such excess should be deposited "in the said national treasury within four months from the "beginning of the succeeding fiscal year."

There are three American Life Insurance Companies doing business in Japan, the "New York", the "Equitable", and the "Mutual". The representatives of the two latter companies called upon me immediately after the publication of the last mentioned order and protested against it as being a discrimination under paragraph three of article II of our Treaty with Japan. They stated that to require a deposit of Yen 100,000. is, in their opinion, not unreasonable, and that with such a demand their respective Companies might possibly comply, but the requirement of a deposit of the amount of the reserve is entirely unjustified and its enforcement would render it impossible for their companies to do business in Japan. The representative of the Mutual Life insurance Company presented me with a tabulated statement showing that the amount of $9248. would have to be deposited in 20 years on each policy of $1000. At this rate the sum to be deposited by one company doing Yen 5,000,000. worth of business per annum would in 20 years reach the enormous total of Yen 46,240,000. In regard to these figures it would be well to mention at once that I submitted them informally to the Minister for Foreign Affairs and he stated that they are based on a misconception of the law and that the amount to be deposited by the foreign insurance companies is based on the premiums paid and not on the total amount of the policies. According to the Minister the deposits required would amount to between 9 and 10% of the premiums paid. I informed the representatives of the American Companies of the Minister's interpretation of the law. The three agents seem disposed to view the question differently. As a matter of fact I understand their powers as

as agents vary, and only one, i.e. the agent of the Mutual Life Insurance Company, is possessed of full authority to act for his company in the matter. This gentleman informed me that the Yen 100,000. would cover the reserve of his Company under the amount of business it now does in Japan, but that he is obliged to object on principle to the deposit of a percentage of the reserve. It would seem to me that the Department can best ascertain from the heads of these companies in New York how far this new requirement of a deposit is objectionable.

The question which the agents of the "Mutual" and the "Equitable" Companies have raised is whether the requirement that foreign Insurance Companies be compelled to deposit with the Imperial Government the sum of Yen 100,000. and such additional sums as may be necessary to reserves on policies effected by such companies on lives of persons residing within the Japanese Empire is in contravention of the article of our Treaty which provides that United States citizens "shall not be compelled, under any pretext whatever, "to pay any charges or taxes other or higher than those "that are, or may be, paid by native subjects or citizens, "or subjects or citizens of the most favored nation", it being understood that no such deposits are required of native Insurance Companies.

For the purpose of understanding the position of native insurance companies I have had made a translation of the law and subsequent regulations controlling their operations and I transmit herewith for the information of the Department the articles relating to deposits and reserves. In neither this law, nor in the Commercial Code, nor in any other ordinance or regulation can I find any stipulation requiring native Insurance Companies to deposit their reserves or any part thereof with the Government. My information is that no such deposit is required of native

5.

Companies

companies. Assuming this to be true native companies under the law will undoubtedly be treated more favorably than foreign companies and there would seem to be some basis for the charge of discrimination. The Minister for Foreign Affairs in an informal conversation with me justified the new law on the grounds that in case of suit the assets of foreign companies are not within the jurisdiction of a Japanese Court of Law, whereas a native company is within easy reach and subject to control. I understand this is similar to the theory of some of our State laws, notably that of Alabama. If I am correctly informed, a Japanese insurance company desirous of doing business in Alabama would be obliged to make a deposit not required of American companies. If the new Japanese law can be held to be contrary to Treaty, so then, I presume, must be the law of Alabama.

The insurance agents were unanimous in requesting that I endeavor to obtain a postponement of the enforcement of the new order. The date fixed was October 31, next, and, considering the fact that all the questions involved have to be referred by the agents to their home offices, their request seemed reasonable. I therefore brought the matter to the attention of the Minister for Foreign Affairs in several interviews, and he was prevailed upon to bring about a postponement of the date of enforcement from October 31 to January 31, next. I may mention that in my interviews with the Minister I refrained from raising any question of treaty infringement. I believe that all my colleagues have taken a similar course of action. The foreign countries interested are the United States, Great Britain, Germany, France, and Holland. The deposit of Yen 100,000. is required from all insurance companies, but the deposit of a percentage of the reserve is required only from companies insuring lives. I am informed that the three American

American Life Insurance Companies do a much larger life insurance business than all the rest of the foreign companies combined; consequently this new law, when in operation, will have its most serious effect upon American companies. In fact the business of the latter has already been detrimentally affected. The vernacular press have stated that in all probability the foreign companies will be obliged to withdraw from Japan and I am informed by the agents that the amount of business they do is dwindling rapidly. Their position is undoubtedly a serious one. In considering the question they have been hampered by an apparent unwillingness on the part of the Japanese Government to interpret officially the new ordinance or make an explicit statement elucidating such questions as the exact method of calculating the reserves; what bonds are acceptable instead of cash; and the disposition of the interest on bonds or cash deposited. The foreign agents asked these questions of the Ministry of Commerce and were informed that such details would be determined later. I have repeatedly asked the Minister for Foreign Affairs for an official interpretation of the law and have been informed each time that an official statement would shortly be made and that a copy would thereupon be furnished this Legation. I have delayed reporting the question to the Department expecting daily to receive the official statement. I now feel that the matter must be reported even though some of the details be left obscure.

I would respectfully request that I be instructed as to the position to be taken by the Legation in this matter

I have the honor to be,

Sir,

Your obedient servant,

Lloyd C. Griscom.

Enclosures:

1. Mr. Hamilton to Mr. Griscom, July 2o,1903,-copy.
2. Mr. Griscom to Mr. Hamilton, July 24, " "
3. Translation of Imperial Ordinance No. 380 of September 30, 1900.
4. Translation of Law of Insurance , issued March 2o, 1900.
5. Translation of Regulations for Enforcement of the Law of Insurance.

Enclosure No. 1 with Mr. Griscom's
No. 14 of Sept. 30, 1903.

COPY.

The Equitable Life Assurance Society
of the United States.
Yokohama, July 20th 1903.

Sir,

I have the honor to submit a copy of a translation of an order No. 146, issued by the Imperial Government of Japan, calling upon this Society to deposit with the department, under the conditions described, and on or before the 31st of October 1903, the sum of One Hundred Thousand Yen, Japanese currency; furthermore, to deposit from time to time such additional sums as may be necessary to cover the reserves on policies effected by the Society upon the lives of persons residing within the Japanese Empire.

The Equitable Life Assurance Society of the United States is a Mutual Corporation established under the laws of the State of New York; and it is duly authorized by the Imperial Government of Japan to carry on business in this country.

The interests of this Society require the protection which can only be afforded by the Diplomatic Representative of the Government of the United States of America. The question involved is one of the privilege to be exercised by virtue of rights embodied in the Treaties of Commerce concluded between the Government of Japan and Foreign Nations. The construction of these Treaties, and the consequent validity of the order cited in the first paragraph

of

His Excellency,

Lloyd C. Griscom,

Envoy Extraordinary and Minister Plenipotentiary
of the United States of America, Tokio.

of this letter, are matters to which your attention is specially drawn, and it is unnecessary for me to express an opinion thereupon; but I may bring to your notice the fact that several British Insurance Companies have urged upon His Britanic Majesty's Minister the illegality of the order which has also been made upon them, as being in opposition to that article of the treaties which provides that no taxes shall be levied on the subjects or citizens of the Contracting Powers greater than those paid by native subjects or citizens, or subjects or citizens of the most favored nation. There is a condition in Article II of the Treaty between Japan and the United States to which I may be permitted to invite your particular attention. The taxes, imposts, or duties referred to, are defined as to be levied "in the name or for the profit of the Government, public functionaries, private individuals, corporations, or establishments of any kind". It is a fair inference that the impost now levied is framed for the purpose of protecting native Insurance Companies by excluding from competion the great foreign companies, some of which have carried on business in this country for many years.

I have in proper course advised the directors of the Society of the terms imposed by the Government of Japan; and until the instructions of the Directors reach me I cannot venture to say what view will be taken of the matter, or whether the Society will continue its business in or withdraw entirely from Japan. In the meantime, I beg to solicit your good offices in protection and futherance of the Society's just rights and interests in this country.

On this subject I have had the privilege of two personal interviews with you when the various points were enlarged upon that are now concisely dealt with in this communication.

I have the honor to be,

Sir,

Your most obedient servant,

Signed: J. T. Hamilton,

General Manager for the East.

C O P Y.

No. 146.

The Equitable Life Assurance Society of the United States, is hereby ordered, according to Article No. 5, of the Imperial Ordinance No. 380 of the year Meiji 33, (1900) to comply with the following:-

1. That the Society should make deposit of yen 100,000 in the Yokohama Branch National Treasury before October 31, 1903.

If the amount of the reserve for the insurance contracted for in Japan at the end of the preceding fiscal year exceeds the amount given in the above requirement, the deposit of the amount equivalent to the said reserve should be made.

2. If, in future, the amount of reserve for the insurance contracted for in Japan at the end of each fiscal year should exceed the amount of the deposit already made, the amount equivalent of such excess should be deposited in the said National Treasury within four months from the beginning of the succeeding fiscal year.

3. When deposits, as required in "1" and "2" of this order, have been made, receipts for the same should be promptly produced before me.

June 26, 1903.

(Signature) Baron Tosuke Hirata,
Minister of Agriculture and
Commerce.

A correct translation.

(Signed) Geo. H. Scidmore.

Enclosure No. 2 with Mr. Griscom's No. 14 of Sept. 30, 1903.

Copy.

July 24, 1903.

J. T. Hamilton, Esquire,
General Manager for the East,
The Equitable Life Assurance Society,
No. 10, Yokohama.

Sir:

I have to acknowledge the receipt of your letter of the 20th instant wherein you state that you submit a copy of a translation of an order No. 146, issued by the Imperial Government of Japan calling upon your Society to deposit with the department, under the conditions described, and on or before the 31st of October, 1903, the sum of One Hundred Thousand Yen, Japanese currency; furthermore to deposit from time to time such additional sums as may be necessary to cover the reserves on policies effected by the Society upon the lives of persons residing within the Japanese Empire. You state furthermore that the interests of the Society require the protection which can only be afforded by the Diplomatic Representative of the Government of United States of America, and you draw my special attention to certain articles of the Treaty between Japan and the United States. In conclusion you request my good offices in the protection and furtherance of the Society's just rights and interests in this country.

I may mention that I have failed to find enclosed in your letter the copy of a translation of order No. 146. I presume it was omitted by error and I would be glad if you would send me a copy.

You do not mention in your letter if you have protested to the Ministry of Commerce against the enforce-

ment of the law in question, or what steps, if any, you have taken to induce the Ministry to repeal or modify the order.

The question as to whether the new law applying to foreign insurance companies is in contradiction of the Treaty between the United States and Japan is of such nature that I am unable to make a decision without referring the matter to the Department of State. In the meanwhile, however, I feel that I may informally represent to the Minister for Foreign Affairs that the date of October 31st is unreasonably near and request a postponement of the application of the law.

I am, Sir,

Your obedient servant,

Signed: Lloyd C. Griscom.

Enclosure No. 1 with Mr. Griscom's No. 14 of Sept. 30, 1903.

CONTENTS.

Foreign Insurance Business in Japan.
New Cable between Netherlands and England.

No. 887.

Issued daily, except Sundays and legal holidays, by the Bureau of Foreign Commerce, Department of State, to which applications for copies should be addressed.

ADVANCE SHEETS

OF

CONSULAR REPORTS.

NOVEMBER 15, 1900.

FOREIGN INSURANCE BUSINESS IN JAPAN.

Under date of September 30, 1900, Consul-General Bellows, of Yokohama, sends, in print, the following translation of an imperial ordinance, promulgated September 27, relative to agencies of foreign insurance companies in Japan:

ARTICLE 1. A foreign company desirous of engaging in the insurance business in Japan by appointing agents must have a legal representative specially appointed for Japan.

The provisions contained in article 62 of the commercial code shall apply correspondingly to the representative mentioned in the foregoing clause.

ART. 2. The foreign company must report to the proper authorities the head office for its business as pursued in Japan and the name and address of its representative.

ART. 3. In making application for license, the foreign company must send in with its written application the following documents:

(1) Articles of association.

(2) Specifications of the business as pursued in Japan.

(3) Contracts relating to ordinary insurance.

(4) Documents for computing premiums and method of computing the "net value."

(5) The latest inventory of property, balance sheet, and profit and lost account.

(6) Documents showing how, in the case of life-insurance businesses, the "net value" is utilized.

No alterations in the documents mentioned in 1, 4, and 6 of the preceding clause will be valid unless such alterations have obtained the approval of the proper authorities.

ART. 4. If the foreign company has violated an order of the authorities, the prosecution of its business in Japan may be suspended or the change of its representative may be ordered or its license may be declared void.

ART. 5. When judged necessary, the authorities may order the foreign company to deposit with them a suitable amount of money. In this case, the money may take the form of value bonds approved of by the authorities.

ART. 6. A policy holder, a person insured, or a person entitled to receive a policy in Japan and the partners of a foreign mutual assurance company shall enjoy a prior claim to the deposit.

ART. 7. The general creditors in Japan of a foreign mutual assurance company shall enjoy a prior claim to the money kept in trust over the partners of the company and the creditors abroad.

ART. 8. The foreign company shall make once in every year, at a previously fixed period, a report on the business conduced in Japan and shall present it to the authorities.

ART. 9. A copy of the inventory of property, of the balance sheet, business report, and profit and loss account compiled by the foreign company in its own country shall be promptly presented to the authorities.

ART. 10. The representative of the foreign company shall keep at the head office in Japan the articles of association of the company, the list of officials in Japan, and also the documents mentioned in article 2.

A policy holder, a person insured, or a person entitled to receive a policy in Japan shall be entitled to inspect the documents mentioned in article 2 or to demand a copy or abridgment thereof. In such case, however, the charge prescribed in the articles of association or the insurance contract shall be paid.

ART. 11. When the foreign company has wound up its business or has had its license invalidated, the return of the money kept in trust may not be demanded, unless the payment has been made to those enjoying the right of priority in accordance with the provisions of articles 6 and 7 and unless proper security has been given.

ART. 12. When the authorities have abrogated the license issued to the foreign company which possessed a branch or a representative in Japan, the fact must be reported at once at the registration office in whose jurisdiction such branch or office is situated.

When the registration office has received the communication mentioned in the preceding clause, the registration of the branch or office must be canceled at once.

ART. 13. The representative of the foreign company shall be liable to a fine of from 5 to 500 yen ($2.49 to $249) in any of the following cases:

(1) When the registration prescribed in this regulation has been neglected.

(2) When the documents specified in articles 8 and 9 are not provided or the matters to be entered therein are not entered or are fraudulently entered.

ART. 14. The representative of the foreign company shall be liable to a fine of from 10 to 1,000 yen ($4.98 to $498) in any of the following cases:

(1) When business other than insurance business is transacted.

(2) When life insurance is combined with "risk" insurance.

(3) When orders of the proper authorities are violated.

(4) When inspections conducted by the proper authorities are obstructed.

(5) When false information is given to the authorities, or when facts are concealed.

(6) When, without justifiable reason, leave to make an examination of the documents to be put in for examination according to this regulation is refused or a copy or abridgment thereof is not given.

ART. 15. The provisions of article 206 to article 208 of the law of noncontentious cases shall be applied correspondingly to the fine prescribed in the preceding two articles.

ART. 16. The provisions of articles 1, 3, 4, 7, 9, 10, and 11 and of article 97 of the law of insurance shall be applied correspondingly to foreign companies.

ART. 17. Articles 9, 11–15, 19–38, 40, 41, 255–258 of the commercial code, articles 85, 86, 90, and 91 of the law of insurance shall be applied correspondingly to foreign mutual assurance companies.

ART. 18. At every registration office, a foreign mutual assurance company list shall be provided.

ART. 19. When, as a result of having established a business office in Japan, a foreign mutual assurance company wishes to make application for the registration of such an office, the representative of the company must submit a written application to the proper authorities, entering the head office in Japan as well as the name and address of the company's representative in Japan, and must at the same time submit the following documents:

(1) Documents to prove the existence of the head office.

(2) Documents certifying the competency of the representative.

(3) Documents describing the articles of association and the nature of the company.

(4) Partners' list in Japan.

(5) Copy of the license and of the letter of identification issued by the proper authorities at home.

The documents mentioned in 1 to 3 of the preceding clause must have the certification of the home government or of the proper consul stationed by that government in Japan.

ART. 20. In case the representative of a foreign mutual assurance company applies for permission to register the company's agent in Japan, the application must enter the date of the Japanese registration of the establishment of its business office in Japan and must submit at the same time documents certifying the appointment of the agent.

ART. 21. Articles 139, 141–149, 151, 154–165, clause 1 of article 173, clause 2 of article 174, and articles 203 and 204 of the law of noncontentious cases shall be applied correspondingly to every foreign mutual assurance company.

ART. 22. Articles 1–6, 8–11, 13–16 of this regulation shall be applied correspondingly to a case where a foreigner pursues insurance business in Japan by creating a branch therein.

SUPPLEMENTARY RULES.

ART. 23. This regulation shall be enforced from November 15, 1900.

ART. 24. A foreigner or a foreign company possessing a branch office or agency in Japan prior to the enforcement of this regulation must report to the proper authorities, within six months from the date of the enforcement, the head office in Japan.

ART. 25. Articles 4–15, 17, 20 of this regulation, articles 1, 3, 4, 9–11, and 97 of the law of insurance, clause 1, article 173, and clause 2, article 174, of the law of noncontentious cases shall be applied correspondingly to a foreigner or foreign company which possesses in Japan, prior to the enforcement of this regulation, a branch office or agency.

The Department has received a report from Minister Buck, of Tokyo, dated October 8, 1900, covering the same information. Mr. Buck adds:

Article 14, respecting fines to which foreign insurance companies are liable for certain acts and delinquencies, includes among other provisions: (1) When business other than insurance business is

ransacted; (2) when life insurance is combined with "risk" in-urance. A literal construction of these items would seem to pro-ibit anyone engaged in any class of insurance business from doing ny other kind of business. I understand, however, that these two rovisions are intended only to prohibit representatives of foreign nsurance companies, registered to do business in a particular kind f insurance for some one company, from doing business, whether nsurance or other, for engaging in which they have not registered.

New Cable between Netherlands and England.—Consul Listoe, of Rotterdam, under date of October 23, 1900, sends the ollowing:

The laying of a third telegraph cable between the Netherlands nd England, from Zandvoort to Lowestoft, was commenced on the th of October last. The cable comprises four wires, which will xtend all the way from London to Rotterdam and Amsterdam. Telegraphing over these wires will be done by means of the Hughes pparatuses, and at busy times with duplex Hughes apparatuses. The cost of construction of the cable will be borne by both coun-ries. The cable, which will be ready for use in a few days, will reatly accelerate the telegraph traffic between the Netherlands and England. The new connection will also expedite the receipt of American cablegrams via London, as one of the wires will be imme-diately connected with the cables of the Anglo-American Telegraph Company at London, thus making cabling to the United States pos-ible without the intervention of the London office.

ransacted; (2) when life insurance is combined with "risk" in-urance. A literal construction of these items would seem to pro-ibit anyone engaged in any class of insurance business from doing ny other kind of business. I understand, however, that these two rovisions are intended only to prohibit representatives of foreign nsurance companies, registered to do business in a particular kind f insurance for some one company, from doing business, whether nsurance or other, for engaging in which they have not registered.

New Cable between Netherlands and England.—Consul istoe, of Rotterdam, under date of October 23, 1900, sends the ollowing:

The laying of a third telegraph cable between the Netherlands nd England, from Zandvoort to Lowestoft, was commenced on the th of October last. The cable comprises four wires, which will xtend all the way from London to Rotterdam and Amsterdam. elegraphing over these wires will be done by means of the Hughes pparatuses, and at busy times with duplex Hughes apparatuses. he cost of construction of the cable will be borne by both coun-ries. The cable, which will be ready for use in a few days, will reatly accelerate the telegraph traffic between the Netherlands and ngland. The new connection will also expedite the receipt of merican cablegrams via London, as one of the wires will be imme-iately connected with the cables of the Anglo-American Telegraph ompany at London, thus making cabling to the United States pos-ible without the intervention of the London office.

Enclosure No. 4 with Mr. Griscom's No. 14 of Sept. 30, 1907.

Translation.

LAW OF INSURANCE.

(Law No. 69, issued March 20, 1900.)

Chapter I. General Rules.

Art. 1.-- The business of insurance shall not be carried on without the permission of the authorities concerned.

Art. 2.-- The business of insurance shall be carried on only by a joint stock company or a mutual company.

Art. 3.-- Insurance companies shall not take other business at the same time.

Art. 4.-- One and the same company shall not conduct both life insurance and risk insurance.

Art. 5.-- In case a company whose object is risk insurance applies for permission, the application must be accompanied by the following documents:-

1. The company contract.
2. Particulars of the methods of business.
3. Articles of an ordinary insurance contract.
4. Documents relating to the bases of computing premiums and liability funds.

Art. 6.-- In case a company whose object is life insurance applies for permission, the application must be accompanied by the documents mentioned in the foregoing Article and documents stating the methods of using the liability fund.

Art. 7.-- In the articles of an ordinary insurance contract the following matters must be included:-

1. Conditions under which the insurance com-

pany shall pay the insurance money.

2. Causes for the invalidity of an insurance contract.

3. Conditions under which the insurance company is released from its obligations.

4. The methods of fixing the scope of the obligation of the insurance company, and the period for discharging its obligations.

5. The loss to be borne by a policy-holder or an insured person on account of failure to discharge his obligation.

6. Causes for the recision of the whole or part of an insurance contract, and the rights and duties of the parties concerned in the case of recision.

7. The existence and scope of the right of a policy-holder, an insured person or a beneficiary to participate in the distribution of the profits or surplus.

Art. 8.-- To effect any change in the documents mentioned in Arts. 5and 6, the sanction of the authorities concerned must be obtained.

Art. 9.-- The business of insurance companies comes under the supervision of the authorities concerned.

The authorities concerned may issue orders necessary for having the provisions of the documents mentioned in Arts. 5 and 6 complied with.

Art. 10.-- The authorities concerned may at any time cause insurance companies to report upon their business, or may examinethe business of the companies and the condition of their assets.

Art. 11.-- In case the authorities concerned should deem the continuation of the business of a company precarious owing to the condition of its business or its assets,

they may order the suspension of its business, or a change in the method of carrying on the business or in the basis of accounts, within a certain prescribed period of time, or may issue orders necessary for protecting the rights of the policy-holders, the insured or the beneficiaries.

Art. 12.-- In case an insurance company should disregard the orders of the authorities concerned, they may order the suspension of its business or the re-election of managers, or cancel the charter.

Art. 13.-- The liquidation of insurance companies comes under the supervision of the authorities concerned.

The authorities concerned may at any time effect any examination necessary for the supervision mentioned in the foregoing paragraph.

Chapter II. Joint Stock Companies.

Art. 14.-- In the company contract of joint stock companies carrying on the business of insurance, the following matters, together with the matters mentioned in Nos. 2-8, Art. 120 of the Commercial Code, must be mentioned

1. Kind of insurance, and the scope of business
2. Method of refunding the expenses of establishment.

Art. 15.-- Companies are required to show in their company names the kind of insurance.

Art. 16.-- The capital of a company shall not be less than Yen 100,000.--.

Art. 17.-- In the application blanks for subscriptions for shares the matters mentioned in Art.14 (this law) and Paragraph 2, Art. 126 of the Commercial Code must be mentioned.

Art. 18.-- Companies are required to register the mat-

ters mentioned in Art. 14 (this law) and Paragraph 1, Art. 141 of the Commercial Code.

Art. 19.-- The provisions of Art. 58 shall correspondingly apply to the accounts of joint stock companies. The profits, however, shall not be distributed until after the whole amount of the expenses for establishment and running expenses have been refunded.

Art. 20.-- The provisions of Art. 210 of the Commercial Code shall not apply to joint stock companies carrying on the business of insurance.

Art. 21.-- In case a company has its charter cancelled the company is thereby dissolved.

Art. 22.-- In case companies have resolved upon amalgamation, they are required to send, in case of risk insurance to each insured person, and in case of life insurance to each policy-holder, a copy of the contract of amalgamation, and of the inventory of the property and the balance sheet of each company, and to issue a notice calling upon them to state any objections they may have, within a certain period of time. The said period shall not be less than two months.

In case the insured persons or policy-holders have not stated any objection to the amalgamation of companies within the period mentioned in the foregoing paragraph, they are regarded as to have consented to such amalgamation.

In case the amount of the insurance money of the persons who have stated objections is more than one-tenth of the whole amount of the insurance money of the company, the company shall not effect amalgamation.

When companies have effected amalgamation according to the provisions of the foregoing three paragraphs, the

amalgamation may be set up against those persons who have stated objections to it.

In case companies have effected amalgamation without giving any notice to insured persons and policy holders, the amalgamation cannot be set up against such persons.

Art. 23.-- The provisions of Paragraph 2, Art. 73 and Arts. 74,77 shall correspondingly apply to joint stock companies carrying on the business of insurance.

Art. 24.-- The provisions of Art. 78 shall correspondingly apply to cases where a joint stock company carrying on the business of insurance is dissolved under the conditions mentioned in Art. 21 (this law) and No. 7, Art. 74 and Nos. 2-3, Art. 221 of the Commercial Code.

Art. 25.-- An application for registration of dissolution on account of amalgamation, must be accompanied by documents certifying that a notice according to the provisions of Paragraph 1, Art. 22, has been given, and also in case there are any persons who have stated objections, that the amount of the insurance money of those persons is less than one-tenth of the whole amount of the insurance money of the company.

Chapter III. Mutual Companies.

Section 1.-- Establishment.

Art. 26.-- The promoters of a mutual company are required to make out a company contract, in which they shall mention the following matters, and sign their names or affix their signatures and seals:

1. Kind of insurance and the scope of insurance.
2. Name.
3. Location of business office.
4. Sum total of the original subscriptions.
5. Rights to be possessed by the original sub-

scribers.

6. Nature of the liabilities of members.

7. Method of refunding the original subscription and the expenses of establishment.

8. Methods of distribution of surplus.

9. Methods of advertisement of the company.

10. Period of existence, and if the conditions for dissolution are fixed, the time and conditions thereof.

Art. 27.-- Mutual companies are required to show in their names the kind of insurance and attach to the name the words "Mutual Company".

Art. 28.-- The original subscriptions of mutual companies shall not be less than Yen 100,000.--.

The refunding of the original subscriptions shall not be done with any other property than money.

Art. 29.-- The number of the members of a mutual company shall not be less than one hundred.

Art. 30.-- In case any person other than the promoters wishes to become a member, he is required to mention the object of insurance and the sum of insurance money in duplicate copies of the application blank for membership and to sign his name or affix his signature and seal to them. This rule, however, does not apply to persons who wish to become members after the company has registered its establishment in the locality of the principal business office of the company.

Application blanks for membership shall be prepared by the promoters, and the following matters must be mentioned therein:

1. Date of drawing up the company contract.

2. Matters mentioned in Art. 26.

3. Full names and addresses of the original

subscribers and the amount of subscription of each.

4. Full names and addresses of the promoters.

5. In case the promoters receive any remuneration, the amount of such remuneration.

6. Number of the members to be enlisted at the time of establishment.

Art. 31.-- When the number of members reaches the limit previously fixed, the promoters are required to summon the first general meeting without dalay.

In the first general meeting more than half of the number of members shall be present, and all resolutions shall require a three-fourths' vote.

The provisions of Art. 43 (of this law) and Paragraphs 1-2, Art. 156, Paragraphs 3-4, Art. 161, and Art. 163 of the Commercial Code shall correspondingly apply to the first general meeting of mutual companies.

Art. 32.-- In case the promoters do not summon the first general meeting within six months after the number of members has reached the limit previously fixed, the subscribers may cancel their subscriptions.

Art. 33.-- Mutual companies come into existence at the close of the first general meeting.

Art. 34.-- The managers are required to register the following matters in the locality of each business office within two weeks from the date of the close of the first general meeting:

1. The matters mentioned in Nos. 1-2, and 4-10 of Art. 26.

2. Location of business office.

3. Full names and addresses of managers and auditors.

In case changes are made in the matters mentioned in the foregoing paragraph, they must be registered within

two weeks in the locality of each business office.

Art. 35.-- The provisions of Arts. 9, 11-15, 19-38, 40, 41, 44, 45, 119, 133 and 138 of the Commercial Code shall correspondingly apply to mutual companies.

Section 2.--Rights and Duties of Members.

Art. 36.-- The members shall not bear any direct obligation to the creditors of company.

Art. 37.--The liability of the members in regard to the debts of company is divided into the following three kinds:

1.-- Where the whole number of members beary unlimited liability.

2.--- Where the whole number of members bear/ liability to the limit of their premiums.

3.-- Where the whole number of members beary liability to the limit of a certain amount of money besides their premiums.

Art. 38.-- The members, in respect of the amount of money to be paid to a company, cannot set up against the company by set -off.

Art. 39.-- In case members make no subscriptions besides their premiums in connection with the debts of company, the amount and the method of subscriptions shall be fixed by the company contract.

Art. 40.-- In case a member of a mutual company whose object is risk insurance has transferred the object of insurance, the assignee may, with the approval of the company succeed to the rights and duties of the assigner.

Art. 41.-- The members of mutual companies whose object is life insurance may, with the approval of the company, have other persons succeed to their rights and du-

ties.

Section 3.-- Organs of the Company.

Art. 42.-- Mutual companies may establish, by the company contract, an organ to represent the general meeting of members. The provisions relating to the general meeting of members shall correspondingly apply to this organ.

Art. 43.-- Each member has one vote at the general meeting of members. If there is any special provision in the company contract relating thereto, this rule does not apply.

Art. 44.-- More than one-tenth of the members may demand the calling of a general meeting by presenting to the managers a document in which the object of the general meeting and the reasons for the calling are mentioned. With regard to the execution of this right some other standard may be provided by the company contract.

The provisions of Paragraph 2, Art. 160 of the Commercial Code shall correspondingly apply to the case mentioned in the foregoing paragraph.

Art. 45.-- The provisions of Paragraph 1-2, Art. 156, Paragraph 1, Art. 157, Paragraph 1, Art. 158, Art. 159, Paragraphs 1, 3 and 4, Art. 161, and Art. 163 of the Commercial Code shall correspondingly apply to the general meeting of members of mutual companies.

Art. 46.-- Managers and auditors are elected at the general meeting of members.

Art. 47.-- Managers and auditors need not be members.

Art. 48:-- A manager cannot, without the sanction of the general meeting of members, be a member of unlimited liability, member ~~carrying on~~ conducting business, manager or auditor of another company whose object is the insurance of the

same kind.

Art. 49.-- The managers shall prepare the list of members and mention the following matters in it:

1. Full names and addresses of members.

2. The kind of insurance contract, the amount of insurance and the premiums of each member.

3. The limit of the liability of each member in the case of No. 3, Art. 37.

Art. 50.-- The managers are required to keep in each business office a copy of the company contract and the record of the resolutions of the general meetings, and in the principal business office the list of members.

The creditors of the members and the company may request permission to inspect the documents mentioned in the foregoing paragraph at any time within the office hours.

Art. 51.-- When it has been resolved at a general meeting of members to institute a law-suit against the managers, or when, such a resolution having been defeated, more than one-tenth of the members shall make such a demand to the auditors, the company is required to institute a suit within one month from the date of such resolution or demand. With regard to making a demand for the institution of a law suit, other rules may be fixed by the company contract.

The members who have made the demand mentioned in the foregoing paragraph are required to present a reasonable security according to the demand of the auditors.

In case the company loses the suit, the said members shall be responsible only to the company for compensation of damages.

Art. 52.-- The members who have made the demand mentioned in the foregoing Article may specially designate the representatives of the company.

Art. 53.-- The provisions of Arts 165-167, 169, 170, Paragraph 2, Art. 174, Arts. 176, 177 and 179 shall cor-

respondingly apply to the managers of mutual companies.

Art. 54.-- When it has been resolved at a general meeting of members to institute a law suit against the auditors, or when, such a resolution having been defeated, more than one-tenth of the members shall make such a demand to the managers, the company is required to institute a suit within one month from the date of such resolution or demand. In such cases the provisions of the proviso of Paragraph 1, Art. 51 and Art. 52, (of this law) and the proviso of Paragraph 1, Art. 185 of the Commercial Code shall correspondingly apply.

The members who have made the demand mentioned in the foregoing paragraph are required to furnish a reasonable security according to the demand of the managers.

In case the company loses the suit, the said members shall be responsible only to the company for compensation of damages.

Art. 55.-- The provisions of Arts. 167, 179-184, Paragraph 1, Art. 185, Arts. 186 and 188 of the Commercial Code shall correspondingly apply to the auditors of mutual companies.

Section 4.-- Accounts of the Company.

Art. 56.-- The original subscriptions shall not be refunded except from the surplus remaining at the close of each business year. This rule shall apply also to the interest to be paid to the original subscribers.

Art. 57.-- Mutual companies are required to lay by a reserve fund from the surplus remaining at the close of each business year to meet losses.

The amount of the money to be reserved each year, and the minimum sum of the reserve fund shall be fixed by the company contract.

Art. 58.-- The expenses of establishment and the running expenses for the first five business years may be refunded in part each year, in accordance with the provisions of the company contract, during a period not exceeding ten years.

Art. 59.-- The original subscriptions shall not be refunded, nor the surplus be distributed, until after the expenses of establishment and the whole amount of the running expenses for the first five business years have been refunded and the reserve fund provided in Art. 57 has been deducted.

The provisions of the foregoing paragraph shall not, however, prevent the payment of interest to the subscribers of the original fund within the period of the foregoing Article.

Art. 60/--When the original subscriptions are refunded an amount of money equal to the amount paid must be set aside as reserve.

Art. 61.-- The surplus shall be distributed among the members at the close of each business year, in case there is no special provision relating thereto in the company contract.

Art. 62.-- The provisions of Arts 190-193 of the Commercial Code shall correspondingly apply to the accounts of mutual companies.

Section.5.-- Changes in Company Contract.

Art. 63.-- Changes in the company contract may be effected only by a resolution of the general meeting of members. Any changes necessary for obtaining the sanction of the said resolution may, by the vote of the general meeting of members, be referred to the managers.

The provisions of Paragraph 2, Art. 31 shall correspondingly apply to the resolutions of the foregoing paragraph.

Art. 64.-- In case it is desired to lighten the liability of the members relating to the debts of the company, such action must be in accordance with the provisions of Arts 78-80 of the Commercial Code.

Section 6.-- Retirement of Members.

Art. 65.-- Notwithstanding the period of the existence of a company fixed by the company contract, members may retire from the company at the close of a business year; but six months' previous notice must be given.

Art. 66.-- Members retire from the company under the following conditions:

1. Compliance with the conditions fixed by the company contract.
2. Death.
3. Bankruptcy.
4. Extinction of the relation of insurance.

Art. 67.-- Retired members may demand the re-imbursement of the money belonging to them, according to the provisions of the company contract or the insurance contract.

Art. 68.-- The re-imbursement of the money belonging to retired members must be made within six months from the close of a business year.

The right of retired members for re-imbursement shall expire by prescription if the right be not claimed within two years after the expiration of the period mentioned in the foregoing paragraph.

Art. 69.-- In case at the time of making accounts of the money belonging to a retired member the property actually existing in the company is not sufficient to pay the said debts of the company, the retired member is required

to pay the amount of loss to be reverted to his own account,

Art. 70.-- In case a retired member owes a debt to the company, the company may subtract the amount of the said debt from the money to be re-imbursed to him.

Art. 71.-- Members bearing unlimited liability and those bearing liability to the limit of a certain amount besides their premiums, shall be responsible for the debts incurred before their retirement has been recorded in the list of members kept at the Registration Office, for a period of two years from the date of such record.

The provisions of the foregoing paragraph shall correspondingly apply to the cases of Arts. 40 and 41.

Section 7.-- Dissolution.

Art. 72.-- Mutual companies shall be dissolved under the following conditions:-

1. The expiration of the period of existence, or the fulfilment of the conditions fixed by the company contract.

2. When the number of members falls below one hundred.

3. By a resolution of the general meeting of members.

4. Amalgamation.

5. Bankruptcy.

6. Cancellation of charter.

Art. 73.-- A resolution of voluntary dissolution or of amalgamation shall require a three-fourths vote of a meeting at which at least one-half of the total number of members is present.

The resolutions mentioned in the foregoing paragraph shall not be valid until the sanction of the authorities concerned is obtained.

Art. 74.-- When application is made for permission to amalgamate, the application must be accompanied by the contract of amalgamation, inventory of properties and balance sheets.

Art. 75.-- The provisions of Arts. 76 and 78-82 of the Commercial Code shall correspondingly apply to mutual companies.

Section 8.-- Liquidation.

Art. 76.-- In case a mutual company has been dissolved liquidation must be conducted according to the provisions of this Section, except in the cases of amalgamation and bankruptcy.

Art. 77.-- In case a company has been dissolved by the cancellation of its charter, the court of justice, at the request of the parties interested or of the public prosecutor, shall choose liquidators.

Art. 78.-- In case a company has been dissolved under the conditions mentioned in Nos. 2, 3 or 6, Art. 72, the insurance money must be paid only when the condition for the payment of insurance money is fulfilled within one month after the time of dissolution.

After the expiration of the period mentioned in the foregoing paragraph, the premiums for the period which has not yet expired, in case of the companies whose object is risk insurance, and the money reserved for the insured, in case of the companies whose object is life insurance, must be re-imbursed.

Art. 79.-- The liquidators are required to dispose of the property of the company according to the following order:

1. Payments of general debts.
2. Payment of the insurance money due to the

members, and the money to be re-imbursed to the members according to the provisions of Paragraph 2, of the foregoing Article.

3. Refunding of the original subscriptions.

The members shall not bear any liability for the refunding of the original subscriptions, over and above their own premiums.

Art. 80.-- The property remaining shall be distributed among the members at the same rates as the distribution of surplus, in case there is no special provision in the company contract.

Art. 81.-- In case there are important reasons, the court of justice may discharge the liquidators at the request of the auditors or of more than one-tenth of the members. With regard to the number of the members making this request, other limits may be fixed by the company contract.

Art. 82.-- The provisions of Arts. 44, 51 and 54 (of this law) and Arts 84, 90-93, 97, 99, 159, 163, 176, 177, 181, 183, 184,Paragraph 1, Art. 185, Arts. 193, 226, 227, Paragraph 1, Art. 228, Paragraph 1, Art. 230, and Arts. 231-233 of the Commercial Code , and Arts. 79, 80 and 83 of the Civil Code shall correspondingly apply to the case of the liquidation of mutual companies.

Section 9.-- Auxiliary Rules.

Art. 83.-- Each Registration Office shall keep a register of mutual insurance companies.

Art. 84.-- Registration of the establishment of mutual companies shall be made upon the application of all the managers and auditors.

The application must be accompanied by the following documents:

1. The company contract.

2. The list of members.

3. Proposals for the admission of each member, in case members have been solicited.

4. The charter issued by the authorities concerned or a copy thereof authorized by them.

5. Record of the resolutions of the first general meeting.

Art. 85.-- The list of members of mutual companies shall be regarded as part of the register and mention in the list of members shall be regarded as registration. This need not be publicly announced.

Art. 86.-- The registration of the election of the president of mutual companies shall be made upon the application of the managers.

The provisions of the foregoing paragraph shall correspondingly apply to applications for the registration of the extinction of the right of agency, or the discharge, of the president.

Art. 87.-- In case a mutual company has been dissolved by the cancellation of its charter, the Registration Office is required to register the fact upon official notification.

Art. 89.-- The provisions of Paragraphs 1 and 3, Art. 126, Arts. 136-139, 141-165, 173, Paragraph 2, Art. 174, Arts. 175-178, 188, Paragraphs 1-2, Art. 193 and Art. 194 of the Law of the Procedure in Non-contentious Matters shall correspondingly apply to mutual companies.

Art. 90.-- In case a mutual company effects registration, it is required to pay the same registration tax as a juridical person not intended for making profits.

For recording the list of members no registration tax shall be charged.

Art. 91.-- No business tax shall be imposed upon mu-

tual companies.

Chapter IV Accounts.

Art. 92.-- Insurance companies shall, at a fixed time once a year, close their accounts, and shall, without delay after the close of the general meeting, present to the authorities concerned an inventory of properties, a table showing assets and liabilities, a report of business, a statement of account of profits and losses and a statement of resolutions relating to the refunding of the original subscriptions, the payment of interest on the said subscriptions, the reserve fund and the distribution of profits or surplus.

Art. 93.-- The policy-holder, the insured or the beneficiary may, after the close of the ordinary general meeting of the company, request the inspection of the papers mentioned in the foregoing Article or demand a copy or extract of the same. But a fee for the copy or extract shall be paid in accordance with the provisions of the company contract or policy.

Art. 94.-- The form of the papers mentioned in Art. 92 shall be fixed by the Minister for Agriculture and Commerce.

Art. 95.-- Insurance companies are required, according to the kind of insurance contracts, to compute and enter in the record books specially prepared for the purpose, the liability fund in respect of the contracts existing at the close of each business year.

Art. 96.-- In case of life insurance, the policy holder or the beneficiary shall have preferential rights upon the property of the company, in respect of the money reserved for the sake of the insured.

Chapter V. Punitive Rules.

Art. 97.-- Any person who carries on the business of insurance without a charter from the authorities concerned shall be liable to a fine of not less than Yen 10 and not more than Yen 1000.

Art. 98.-- The managers, auditors or liquidators of insurance companies shall be liable to a fine of not less than Yen 10 and not more than Yen 1000 in any one of the following cases:

1. When they carry on a business other than that of insurance.
2. When they carry on the business of life insurance and risk insurance at the same time.
3. When they violate orders of the authorities concerned.
4. When they interfere with the inspection of the authorities concerned.
5. When they refuse, without proper reasons, to show the documents , the inspection of which must be allowed according to the provisions of this Law, or to furnish a copy or extract of the said documents.
6. When they distribute profits in violation of the provisions of Art. 19.
7. When they effect amalgamation in violation of the provisions of Art. 22.
8. When the provisions of Art. 95 are disobeyed.

Art. 99.-- The promoters, managers, auditors or liquidators of mutual companies shall be liable to a fine of not less than Yen 5 and not more than Yen 500 in any one of the following cases:

1. When the registration required by this Law is neglected.

2. When the public announcements or reports required by this Law are neglected, or when false public announcements or reports are made.

3. When no application blank is prepared, when the matters to be mentioned therein are ommitted, or when false matters are included therein, in violation of Paragraph 2 of Art. 30.

4. When the company contract, list of members, record of resolutions of the general meeting of members, inventory of property, balance sheet, report of business, accounts of profit and loss or statement relating to the refunding of the original subscriptions, the payment of its interest, the reserve fund, and the distribution of surplus, are not kept in the business office, or the matters to be mentioned are not mentioned, or false entry is made therein.

5. When the inspection of auditors according to the provisions of Art. 181 of the Commercial Code is interfered with.

Art. 100.-- The promoters, managers, auditors or liquidators shall be liable to a fine of not less than Yen 10 and not more than Yen 1000 in any one of the following cases:

1. When false statements are made to, or facts are concealed from, the authorities or the general meeting.

2. When the original subscription is refunded, the interest is paid or the surplus is distributed in violation of the provisions of Arts. 56-60

3. When the property of the company is disposed of in violation of the provisions of Paragraph 1 of Art. 79.

4. When the liability of members is diminished,

or amalgamation is effected, in violation of Arts. 78-80 of the Commercial Code.

5. When a request for a sentence of bankruptcy is neglected in violation of the provisions of Paragraph 2, Art. 174 of the Commercial Code, or of Art. 81 of the Civil Code.

Art. 101.-- The provisions of Arts 206-208 of the Law of the Procedure in Non-Contentious Matters shall correspondingly apply to the fines provided in this Chapter.

Appended Rules.

Art. 102.-- This Law comes into force on and after July 1, 1900.

Art. 103.-- Arts. 95-116 of the Commercial Code shall be annulled.

Art. 104.-- Any insurance company established before the enforcement of this Law, that does not indicate in its name the kind of insurance conducted, ~~shall~~ is required to change its name within three months from the date of the enforcement of this Law, and to register it in the localities of the main office and branch offices.

Art. 105.-- In case any insurance company that was established before the enforcement of this Law and that has not obtained a charter for carrying on its business, has violated orders of the authorities concerned, the court of justice may, either at the demand of a public prosecutor or by virtue of its official power, order the dissolution of the company.

The provisions of Paragraph 1, Art. 126, Paragraph 1, Art. 134, Art. 135 and ~~No. 2,~~ Art. 135-(2) of the Law of the Procedure in Non-Contentious Matters shall correspondingly apply to the cases of the foregoing paragraph.

Art. 106.-- Any partnership established before the enforcement of this Law, that carries on the business of insurance, is required to present to the authorities concerned without delay the inventory of property and balance sheet, together with the report of business, accounts of profit and loss and the statement relating to dividends, each time it makes out such an inventory and balance sheet.

Art. 107.-- Each time when a partnership, established before the enforcement of this Law, that carries on the business of insurance, makes out an inventory of property and a balance sheet, policy-holders, insured persons or beneficiaries may request to inspect them and to be furnished with copy or extract of them. Fees must be paid, however, for the delivery of such copy or extract according to the company contract or the terms of the insurance contract.

Art. 108.-- The provisions of Arts. 3, 4, 8-13, Paragraph 2, Art. 73 and Art. 74 shall correspondingly apply to the insurance companies established before the enforcement of this Law.

Art. 109.-- Any insurance company established before the enforcement of this Law, that has not reserved any proper amount as a liability fund, is required to determine the method of supplying the deficit, and apply for the sanction of the authorities concerned, within three months from the date of the enforcement of this Law. The period of such provision, however, shall not exceed ten years from the date of the enforcement of this Law.

No profits shall be distributed until after the provision mentioned in the foregoing paragraph is made.

Art. 110.-- The provisions of Art. 78 shall correspondingly apply to the cases where an insurance company established before the enforcement of this Law, has been dis-

solved for the reasons mentioned in Art. 21 (of this Law) and Nos. 3, 5 and 7, Art. 74, Art. 118 and Nos. 2-3, Art. 221 of the Commercial Code.

Art. 111.-- The provisions of Arts. 92 and 93 shall correspondingly apply to any limited partnership or joint stock company established before the enforcement of this Law, that engages in insurance business.

Art. 112.-- The provisions of Arts. 20-22 and 77 shall correspondingly apply to any joint stock company established before the enforcement of this Law, that engages in ininsurance business.

Art. 113.-- The provisions of Art. 98 shall correspondingly apply to the members conducting the business, managers, auditors and liquidators of insurance companies established before the enforcement of this Law.

Art. 114.-- In case the members conducting the business, or managers have violated the provisions of Art. 104 or 109, they shall be liable to a fine of not less than Yen 5 and not more than Yen 500.

The provisions of Arts. 206-208 of the Law of the Procedure in Non-Contentious Matters shall correspondingly apply to the fine provided in the foregoing paragraph.

Art. 115.-- Provisions relating to foreigners or foreign companies establishing a branch or an agency in Japan and carrying on the business of insurance, shall be fixed by Imperial Ordinance.

-----||||-- The End --||||-----

Enclosure No. 5 with Mr. Briscoe's
No. 14 of Sept. 30, 1903.

REGULATIONS FOR THE ENFORCEMENT OF THE LAW OF INSURANCE.

Art. 1. Any person desiring to organise an Insurance Company must apply for official sanction .

The aforesaid application must be accompanied by the documents specified in Articles V and VI of the Insurance Law.

Art. II. The application for official sanction must be made before any shareholders or members are secured.

Art. III. The application for permission to start an insurance business must be made by the Directors as well as the Auditors of the company .

The said application must be accompanied by documents specified in paragraphs 2,6 and 9 of the second clause of Art. 187 of the Law of procedure relating to non-contentious matters, or those prescribed in paragraphs 2,3 and 5 of the second clause of Art. 89 of the Insurance Law in addition to those mentioned in Arts. 5 and 6 of the Insurance Law.

Art. IV. In case application is made by an insurance company for making alterations in documents as provided for in Art. 8 of the Insurance Law, the application must be accompanied by a statement of reasons for such alterations.

Art. V. The Insurance Company must report to the Minister of Agriculture and Commerce details of the registration and date of the same in case registration is made as provided for in the Commercial Code or Insurance Law.

This provision, however, does not apply to items or statements made in the register of members of the company.

Art. VI

Art. VI. The insurance company must forward to the Minister of Agriculture and Commerce a copy of the forms of policy, application for insurance and any other printed papers prepared for the purpose of advertisement.

Art.VII. The insurance policy must contain the entire articles of regulations for insurance or be accompanied by a paper containing the said articles.

Art.VIII. A life insurance company is required to state on the policy or annex thereto a paper specifying the amount of money or rate payable to the beneficiary as specified in clauses 6 and 7 of Art.7 of the Insurance Law, or a table enabling one to determine the amount referred to.

This provision applies also to cases when loans are issued on the policy, or the amount insured is decreased by way of exemption of future premiums.

Art. IX. In utilizing the assests of an insurance company the amount shall in no wise exceed one-fifth of the total with respect to the following:

1. Issuing loans without security.
2. Issuing loans to one and the same individual, or entrusting any amount of money by way of deposit to the same, or allowing a loan upon his guarantee.
3. Accepting the shares or debentures of one and the same company, or issuing loans on the security of the same.
4. Accepting the same articles or issuing loans on them as security.

The amounts of money utilized under sections 2 and 3 of the above Article may be taken together in calculation.

Art.X. The business report of the company must contain a statement of the following particulars, and must be signed, or signed and sealed, by all the Directors and Auditors:

1. Alterati

1. Alterations in the regulations of the company during the fiscal year, or changes in the terms of ordinary insurance and other matters of importance.

2. Results of transactions.

3. Statistics (in the case of life or fire insurance).

Art.XI. Documents relating to inventory, balance sheet, profit and loss account, repayment of original subscriptions, payment of interest, bonuses or dividends must be prepared in accordance with the prescribed forms.

Art.XII. All items in the inventory amounting to over Yen 3000 must be itemized.

Art.XIII. Under premiums in arrears mentioned in the inventory or balance sheet the amount due during the current year must not be included.

Art.XIV. Every insurance company is required to provide the following amounts as reserve funds:

1. A sum corresponding to the amount of liability for insurance or other payments due during the fiscal yeay and remaining unpaid.

2. A sum corresponding to the amount of liabilty for the payment of insurance which, from the events of the year, it is deemed will be necessary.

Art.XV. The legal reserves (liability fund) of a life insurance company must be classified as premium reserves and reserves for risks the term of which has not expired.

Art.XVI. When a life insurance company does not calculate the amount of its premium reserves in accordance with the actual scale of premiums, the amount reckoned in conformity with such scale must be ascertained and entered under the head of legal reserve (liability fund) in the balance sheet and reported to the Minister of Agriculture and Commerce.

Art. XVII

Art.XVII. When the reserves for risks the term of which has not expired are not calculated by a life insurance company in respect of individual contracts, the amount must not fall below one-fourth of the premiums received in the fiscal year for which the calculation is made.

Art.XVIII. The legal reserves (liability fund) of an insurance company that accepts risks against loss shall not fall below the amount obtained by subtracting from the premiums received during the fiscal year (the amount of insurance paid to the re-insured being deducted) the following sums:- the amount of insurance paid in respect of contracts on which premiums were received during the year (the insurance received from the re-insured being deducted); the amount to be reserved against payments due on account of such contracts; and the running expenses of the said fiscal year.

Art. XIX. In case an insurance company enters into a contract for the repayment of the whole or part of the premiums received in the event of risks not being incurred, the amount to be appropriated for such repayment must be set apart from the premiums received in the fiscal year, and in respect of the remainder the calculation specified in the foregoing Article must be made. The legal reserves of a company must not be less than the sum total of the reserve funds (see Art. XIV) plus the remainder obtained by the aformentioned calculation.

Art.XX. In case the legal reserves calculated in accordance with the two preceding Articles are found insufficient to cover the contracts the term of which has not expired, measures must be taken by the company to increase the reserves.

Art.XXI. The statistical tables, account papers and other documents used as the basis or standard of calculation

lation in computing the amount of legal reserves must be preserved until the completion of similar calculations for the next period.

Art.XXII. An application for the voluntary dissolution of a company must always be accompanied with a statement of reasons, the decision of a general meeting, an inventory, ballance sheet and all other documents necessary for the adjustment of contracts for insurance.

Art.XXIII. An application for amalgation must be accompanied by a statement of reasons, the decision of a general meeting and the regulations of the company to be organized or maintained after amalgamation, together with the documents specified in Art. 79 of the Insurance Law.

When no practical measures are taken within six months after obtaining official sanction the said sanction will become void.

Art.XXIV. All documents to be addressed to the Minister of Agriculture and Commerce by the projectors of an insurance company or by the company itself must be forwarded through the local Governor of the district where the headquarters or principal offices are established.

For the documents herein mentioned the stiff paper known as Minogami must be used except in cases when the documents are printed.

Art.XXV. If documents to be sent to the Minister of Agriculture and Commerce by the projectors of an insurance company or by the company itself are not prepared in Japanese, a translation must be annexed.

Art. XXVI. If any item in the aforesaid documents contains the value of foreign coins, the value in question must be converted into Japanese currency in accordance with the table prepared by the Minister of Finance showing the relative

relative value of foreign and Japanese coins.

Art. XXVII. The provisions of Art. XXIV are applicable to insurance companies organized prior to the promulgation of the Insurance Law. Those of Art.XIV need not be complied with for a period of six months from the date of the operation of the said law.

Art.XXVIII. In case the regulations of an insurance company organized prior to the operation of the Insurance Law are found to conflict with the present regulations, alterations must be made within six months from the date of the operation of the regulations.

Art.XXIX. No alteration is necessary in case the procedure with regard to the utilization of the assets of ahcompany organized prior to the operation of the Insurance Law is contmary to the provisions of Art.9 (of that Law). But when the method of utilization has been changed after the said law came into force, the provisions of Art. 9 must be complied with.

Art.XXX. When an ordinary or limited partnership desires to undertake the business of insurance as its chief occupation, or to alter its organization into a joint stock company, the application to that effect must be accompanied by a statement of reasons, particulars of decision, inventory, balance sheet etc.

Art.XXXI. Ordinance No. 11 of the Department of Agriculture and Commerce issued in 1899 is rescinded.

DEPT OF STATE
OCT
28
1903
2ND ASST SECRETARY

DIPLOMATIC BUREAU
write to the Companies in New York in the sense of the marked passages of this report.
adee

Assistant Solicitor,
OCT 28 1903
Department of State.

DIPLOMATIC
OCT 29 1903
BUREAU.

Dear Mr. Adee:-

The requirement that foreign insurance companies doing business in Japan shall make a deposit with the Government as a security that the contracts of the companies with their policy-holders shall be carried out, is not an unreasonable one. A similar requirement is prescribed by the laws of some of the States of the Union. While deposits are required of domestic companies also, in some States, the amount required of foreign companies is greater. It is understood that in Japan deposits are not required of Japanese companies.

I do not think the contention of the agents of these insurance companies that the requirement of the Japanese Government is in contravention of the provisions of the treaty between Japan and the United States can be maintained.

Paragraph 4 of Article I of the treaty provides:

"They (the citizens or subjects of the contracting parties) shall not be compelled, under any pretext whatsoever, to pay any charges or taxes other or higher than those that are, or may be paid by native citizens or subjects, or citizens or subjects of the most favored nation."

The deposit required by the Japanese regulation is merely a security or guaranty for the protection of Japanese policy-holders and is not a "tax" or "charge", within the meaning of the treaty provision.

The other provision of the treaty which is invoked is the third paragraph of Article II., declaring that the citizens or subjects of each of the contracting parties "shall enjoy, respectively, the same treatment in matters of commerce and navigation as native citizens or subjects or citizens or subjects of the most favored nation, without having to pay taxes, imposts or duties, of whatever nature or under whatever denomination levied in the name or for the profit of the Government, public functionaries, private ordinances, corporations, or establishments of any kind, other or greater than those paid by native citizens or subjects, or citizens or subjects of the

most favored nation."

In addition to what is said above in reference to the provision of Article I, it may be observed:

1. That this provision in the 2d Article only refers to "treatment in matters of commerce and navigation", and the business of insurance is not commerce. (8 Wallace, U.S.Sup.Ct. Reps.,168.)

2. The inference of the agent of the Equitable Company that it is the purpose of the Japanese regulation to protect native insurance companies by excluding from competition the great foreign companies, is met by the statement that the deposit required is for the security of the Japanese policy-holders. The latter would seem to be the obvious design of the requirement.

3. Even if it should be conceded for the sake of argument, that the requirement comes within the category of a "tax, duty or impost", and that the business of insurance is commerce, it would appear to be covered by the provisions of the 4th paragraph of the Article which reads:

"It is, however, understood that the stipulations contained in this and the preceding article do not in any way affect the laws, ordinances and regulations with regard to trade, police and public security which are in force or which may hereafter be enacted in either of the two countries."

While it is my view that the regulation of the Japanese Government requiring these insurance companies to deposit amounts sufficient to amply secure policy-holders, is not a violation of the treaty, I think it would be unreasonable and unjustifiable for that Government to require a deposit of the amount of the reserve of insurance contracted in that country. As the representatives of the insurance companies indicate, it would appear that the enforcement of such a requirement would make it impossible for the companies to do business in Japan, as at this rate the amount to be deposited by one company doing 5,000,000 yen worth of business per year would in 20 years reach the aggregate of 46,000,000 yen.

It appears, however, that the agents of the companies interpret the regulation differently from the Japanese authorities, and the latter state that the sums to be deposited would amount to only between 9 and 10% of the premiums. It appears also that the respective agents differ in view among themselves on this subject. Mr. Griscom suggests that it seems to him that the Department can best ascertain from the heads of these companies in New York how far this feature of the deposit is objectionable.

My suggestion would be to send to the head office of each of these companies, in New York, a copy of Mr. Griscom's No. 14, say that the Department is of the opinion that the Japanese regulation requiring a deposit as security for the policy-holders in that country is not a violation of the treaty, nor unreasonable; that as to the requirement that the amount of the reserve be deposited, and the effect of its enforcement, their views are invited.

I think the good offices of the Department should be exerted in behalf of these companies, in Japan, as they have been in other countries, to protect them from unreasonable requirements.

Mr. Griscom has induced the Japanese Government to postpone the date for the enforcement of the order from October 31st until January 31st next.

F.W.

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC
OCT 30 1903
BUREAU.

No. 15. October 1, 1903.

INDEX BUREAU
REC'D.
OCT.
19
1903
DEPT. OF STATE

Acknd
Oct. 30, 1903
Ed. H. L.

Mr. Griscom

to the Secretary of State.

INDEX BUREAU
NOV 3 1903
FILED

Subject:

The Insurance Question,-- newspaper comments.

UNITED STATES LEGATION.
TOKIO.

No. 15. October 1, 1903.

To the Honorable John Hay,
Secretary of State,
Washington.

Sir:

I have the honor to enclose a collection of clippings from the Japan Mail, as showing local opinion with regard to the question of the foreign insurance companies' position under the new Japanese requirements, which was described in my dispatch of yesterday.

I have the honor to be,
Sir,
Your obedient servant,

Lloyd C. Griscom.

Enclosure:
Clippings, in duplicate.

Enclosure with Mr. Griscom's No. 15—
of Oct 1, 1903.

July 4, 1903.]

FOREIGN INSURANCE COMPANIES.

It is announced that an order has been issued calling upon all the representatives of foreign insurance companies in Japan to lodge security to the minimum extent of a hundred thousand *yen*, the money, or whatever form the security takes, to be placed with the Bank of Japan through its agents. In the case of life insurance the new regulation says that should the legal reserve called for by the volume of a company's business in Japan exceed a hundred thousand *yen*, the excess must be lodged, but that in the case of fire insurance and marine insurance a hundred thousand *yen* will be the maximum at present. Japanese insurance companies are required to lodge twenty-five thousand *yen* only, but the contention of the Authorities is that a radical difference exists, because in a Japanese company there exists effective machinery to enforce payment of unpaid instalments of capital, whereas in the case of foreign companies the shareholders are entirely beyond Japanese reach. The officials of the Department responsible for the measure—the Department of Agriculture and Commerce—further observe that the deposit of this money will improve the credit of foreign companies and thus tend to augment their business. The number of companies affected in Yokohama is 36 fire-insurance companies, 18 marine, 6 life and 5 fire and life.

The order issued to foreign insurance companies is in accordance with the provisions of Imperial Ordinance No. 380, (September, 1900), Art. 5 which reads:—

"When it is deemed necessary the Minister of State for the department concerned will require foreign (insurance) companies to deposit a substantial amount of money as security.

"Should foreign companies be ordered to make a deposit as security such valuable bonds, etc., as the Minister may permit can be substituted for cash."

July 18, 1903.]

THE INSURANCE QUESTION.

Since writing on this subject we observe that the *Japan Gazette* attributes to us "the view that the new insurance Order is not only justified but moderate as compared with alleged requirements of other countries in a similar case." Apparently our contemporary has not carefully read what we wrote. We scrupulously avoided expressing any opinion of our own. Our article commenced with the words:—"It would seem that the views taken by the Authorities of the Department of Agriculture and Commerce with regard to the deposit of security by foreign insurance companies doing business in Japan, are not fully understood by some commentators;" and ended with the words:—"Such, we believe, are the motives of the Authorities in legislating as they have done. They are understood to hold that while securing the interests of Japanese insured, which it is their duty to safeguard, the measure they have taken will also inure to the benefit of foreign insurers by promoting public confidence in their stability." Everywhere throughout the article we made it clear that our object was solely to set forth the official ideas, so far as we had ascertained them, and the sentence where moderation was spoken of ran in these terms:—"Thus it seemed to the officials of the Japanese Department that in setting the minimum at 100,000 *yen*, they would be taking a very moderate line." It is certainly desirable that in considering the merits of a piece of Japanese legislation the estimates and views of the legislators should be known, and for that purpose solely our original article was written. As to our own opinions, they find expression for the first time in our present issue. We are disposed to think, in fact we do not see how the conclusion can be avoided, that the framers of the Order did not fully foresee its results. They expected that the deposits demanded would not greatly exceed one half of the premia collected, but in practice the deposit would come to be equal to something like one half of the sum assured. Even on the hypothesis that one half of the premia would suffice, the official estimate seems to be greatly under the mark, for a company insuring to the extent of fourteen or fifteen million *yen*—a feat already accomplished, we believe—would be collecting some seven hundred thousand *yen* annually, and would have to deposit, not a hundred thousand *yen* only, but three or four times that sum, were the deposit equal to one half of the premia. But in truth the official ratio errs even more than that, for such a company would have to put up about one-ninth of the total sum insured, namely, 1½ millions. No doubt can be entertained that the whole question will be fully discussed in a friendly spirit, and that some satisfactory settlement will be found.

INSURANCE SECURITY.

July 13.

IT would seem that the views taken by the Authorities of the Department of Agriculture and Commerce with regard to the deposit of security by foreign insurance companies doing business in Japan, are not clearly understood by some commentators. Of course the question is of some importance, for the number of companies affected aggregates 71; namely, 65 in Yokohama, comprising 36 fire, 18 marine, 6 life and 5 fire and marine; 4 in Kobe, comprising 1 marine, 2 fire and 1 marine and fire, and 2 in Osaka, both fire. Each of these is required to put up a sum of at least 100,000 *yen* in the form of negotiable securities, so that the total involved is over seven million *yen*. The authorities calculate, we understand, that although this security is to increase in the ratio of the various companies' insurance responsibilities—that ratio being fixed by their own regulations—, very few companies will have to find more than 100,000 *yen* at present. A singular statement has been made journalistically to the effect that a certain life-insurance company will at once have to put up some six millions. But when we observe that the most successful of the foreign life companies doing business in Japan has not yet issued policies aggregating more than six millions, we are led to suspect that the formulator of such a statement confused the total of the policies with the amount of the security, especially since he further represents a company as accumulating a reserve of some nine thousand *yen* against a policy of one thousand. The fact is, we gather, that since the year 1900, when an Imperial Ordinance invested the authorities with competence to require that proper security must be put up by foreign insurance companies working in this country, the whole question has been under very careful official consideration, and the counsels of those responsible are said to have been inspired by a desire to impose upon foreign companies the smallest obligation consistent with the circumstances. Naturally the practice of other countries was examined, with the result that a figure amounting to about one half of the minimum exacted in England and America seemed appropriate. In one state of America, Massachusetts, the minimum figure is $200,000 (gold), or 400,000 *yen*, but in most of the other States it is only $100,000, or 200,000 *yen*, while in England it is £20,000, or 200,000 *yen*. Thus it seemed to the officials of the Japanese Department that in setting the minimum at 100,000 *yen*, they would be taking a very moderate line, and that their procedure could not possibly be construed as in any sense hostile to foreign enterprise. Of course in proportion as the business of a company increases so also will its legal reserve, and consequently the amount of its security. But it is considered that since every increase of that nature must be accompanied, *pari passû*, with an increase of the company's income, no hardship will be involved. The official estimate, as we understand, is that the reserve will be approximately equal to, or a little more than, one half of the volume of the premia; and further that the fact of such monies being lodged in Japan under Governmental supervision will vastly increase Japanese confidence in foreign life insurance companies. At present a Japanese insuring his life in a foreign office must be inspired with a large measure of trustfulness, for he knows that in the event of any dispute, the execution of a judgment obtained against the company in a Japanese court might be difficult, the company having no distrainable assets within the court's jurisdiction. That is not the case with a Japanese company, for all its shareholders and their property are practically under the effective control of the courts of law. Obviously from this point of view the security lodged by a foreign company ought to be larger than that lodged by a domestic company. Such, we believe, are the motives of the Authorities in legislating as they have done. They are understood to hold that while securing the interests of Japanese insured, which it is their duty to safeguard, the measure they have taken will also inure to the benefit of foreign insurers by promoting public confidence in their stability.

July 16.

THE official views collected by us on inquiry and stated in our issue of the 13th instant show that in ordering foreign insurance companies doing business in Japan to put up certain security, the Japanese authorities believed themselves to be acting in the best interests of all concerned. But it may be doubted whether the question had received exhaustive consideration before the order was promulgated. Here we desire to mention two incidental points. The first is a statement made by a Yokohama jour-

nal on the 6th instant and traversed by us as "singular," namely:—"One Foreign Life Company has prepared a table showing the amount of reserve, calculated at 3½ per cent. interest, that would be required *for one policy*" (the italics are our contemporary's) "issued each consecutive year for 20 years for *yen* 1,000, age 35, annual premium *yen* 52.13 for 20 years. The reserve begins with *yen* 35 and increases to *yen* 9,248 in the 20th year." We read this as referring to one policy, but we are informed that it was intended to refer to twenty policies, issued, one each, in 20 consecutive years. In short, against liabilities accumulatings by equal annual increments for 20 years until an aggregate of 20,000 *yen* was reached, the reserve would stand at 9,248 *yen* in the 20th year. That, of course, is beyond query. The second point is that a certain life insurance company would have to put up forthwith, not 100,000 *yen* as the Japanese Authorities seem to intend and suppose, but between six and seven million *yen*. We are unable to understand such an estimate. It is officially believed that no foreign life company in Japan carries policies aggregating more than six million *yen*. Let us suppose, however, that the most prosperous company has already issued policies totalling 15 millions and that it has been working for five years—though the first grant of charters to foreign life companies is by no means so old as that. Now, according to our information, the amount of reserves put up in the 5th year on the basis of 3¼ per cent. interest and on the supposition that the growth of business has been uniform, is approximately one-ninth of the outstanding policies. Therefore for a fifteen-millions business the reserve would be 1⅔ millions, and in order that a company should be required to put up 6 millions, it must have issued policies totaling 54 millions. But whatever the explanation of that point may be—and we presume that some explanation is forthcoming—the fact remains that the security which a company such as we have supposed must immediately furnish under the recent order would be nearly two million *yen*, instead of a hundred thousand. Hence our expression of doubt whether the question had been exhaustively examined before the issue of the order. The principle observed by the best foreign companies with regard to their reserves is to set aside annually a sum such that, with accumulations of interest at 3 or 3½ per cent., it shall amount at the end of the insurance period to the sum insured. It is well within the limits of probability that twenty years from the time of commencing business in this country one of the great foreign companies will be carrying 50 million *yen* worth of policies, in which case its reserves would amount to nearly 25 millions, and the company would have to lodge that amount in the hands of the Japanese Government. Such can scarcely be the Government's intension, for a measure so drastic must immediately compel the foreign life companies to retire altogether from the Japanese field. On the other hand, some security ought certainly to be required. Japanese companies are not obliged to furnish more than twenty-five thousand *yen*, or one-fourth of their minimum paid-up capital. But they are within easy reach of the law and are at all times subject to official inspection, which constitutes a guarantee of the soundness of their business and of the reality as well as the liquifiable nature of their reserves and assets. It is not apparent why foreign companies doing business in Japan should not be subject to similar inspection, nor do we believe that they would resent it. But to require that they shall lodge many millions of *yen* in the hands of the Government appears too onerous. Nothing so drastic is demanded, we believe, in England or America. An American office doing business in England can obtain recognition of a certificate written by American official inspectors, and such recognition serves exactly the same purpose as would be served by reserves and assets within actual reach of British law-courts. The new regulation, even supposing that it is modified so as not to require a larger security than a hundred thousand *yen*, may nevertheless prove fatal to some fire and marine companies which, being strictly limited as to the manner of investing their reserves, can not have recourse to the bonds of a Far-Eastern State. That result would be regretted by the Japanese Authorities, we are convinced, and it seems to us scarcely possible to doubt that they will modify the operation of the new order, not in the sense of dispensing altogether with security—that no reasonable person can expect,—but in the sense of limiting the amount actually lodged in Japan, and following the English and American plan of accepting foreign official certificates with regard to further reserves and assets. This appears to us to be precisely one of those matters which, in spite of the best possible intentions on both sides, may easily produce a very bad impression in Europe and America.

THE INSURANCE QUESTION.

TO THE EDITOR OF THE "JAPAN MAIL."

SIR,—In your issue of July 16, you treated the above question so fairly that I am emboldened to ask that you set forth the companies' side of the question, which I will try to place before you in a spirit as friendly as that displayed by you in the article in question.

Of course the question of grave importance is that concerning reserves. Your reasoning as to the amount of reserve that *would be required* to protect the business written in Japan is entirely correct; but I would like to set you right upon one question, viz: The amount of reserve that must be deposited by the company referred to in your article in addition to the *yen* 100,000 asked for. This company instead of having done business, as your article would indicate, during the past five years in Japan, has been working that field under the present management for thirteen years. I am, of course, unable to give the exact amount of business they have in force, but it is only reasonable to assume that it is far beyond that designated by you in the article in question. I would further advise you that this company has been writing business in a more or less active manner in Japan for about 20 years.

Reserves upon policies written as long ago as that, would amount to nearly the face of the policy—provided same was written upon the 20 year endowment plan; but, as a matter of fact, a large percentage of this business was written upn the 10 and 15 year endowment plans, consequently this company must have a quantity of business upon its books, upon which reserve equals the face of the policies, and I would say, roughly speaking, that the amount of reserve required to protect this Company's insurance would more than double the one and two-third millions which you mention as probably being sufficient. But this question of amounts is not of paramount importance. The most of the companies operating here being American, chartered under American laws, are subject to the most rigid governmental supervision. As I understand it, the Japanese authorities require as a reserve deposit, either cash, which would of course be impossible, or Japanese Government Bonds. Under these circumstances would the American authorities accept as a reserve deposit Japanese Government Bonds, that are to be deposited with the Japanese Government, and which could not be disposed of by the companies in the event of a threatened depreciation in value. Of course no one can speak authoratatively upon this subject, but it is my impression that no bonds that *any* government could issue would be accepted by any Commissioner of Insurance, if the companies are forced to purchase such bonds without the right to control and dispose of them as prudence might dictate. If the Japanese Government authorities have the right to prescribe that the companies shall deposit as reserve security Japanese Government Bonds, it must be conceded that they have the right to say that they will not allow that form of security to be changed, for it is not conceivable that in the event of a depreciation of such bonds the Government would allow the holders to throw hundreds of millions of them upon the market to cause further depreciation. Then again, insurance companies are writing contracts to run to from 10 to 50 years, and even though Japanese Government Bonds at the present time, (and what I say about Japanese Bonds would apply equally to any other form of security,) may be a good investment, is there any guarantee, or can there be any guarantee that these bonds will be good for the length of time mentioned? Such a guarantee would be manifestly impossible. The companies, however, *do* guarantee that they will pay the amount of money contracted for in the policies.

Now then, if they are compelled to invest in a certain class of securities, the value of which may become more or less impaired, how can such companies make good their contracts to the insuring public? On the other hand, if it were possible for the Government to guarantee that there would be no default in interest upon its bonds, the very nature of such a guarantee would practically put the Government in the position of the insurance company, as it would be taking and guaranteeing the risks, and the companies simply acting as its agents.

The companies, generally speaking, write insurance upon a 3-1/2 per cent. basis. That is, the reserve which is set aside each year, plus 3-1/2 per cent. compound interest, must equal at the end of the period designated in the contract the face value of the policy. Under these circumstances it is necessary that a company shall earn gross about 4-1/4 per cent. interest. It can be easily seen, therefore, that a slight falling off in the value of 5 Per Cent. Bonds would made it impossible for any company to meet its obligations. But permit me to say that the profits of a life insurance company are earned largely by keen financiering. By reason of the large sums of money that the life companies control they are able from time to time to buy up large government and industrial loans, far larger than individuals can usually handle. These loans are secured at a minimum rate and are afterwards resold in small lots to individual holders at a substantial advance. It would be manifestly impossible to handle these loans if the reserve was tied up in a stated way. Many of the securities held by the different companies are worth three or four times what was originally paid for them, thus increasing the returns to policy holders by way of dividends. Nearly all of the companies are returning from 50 to 60 per cent. more than they have received from members upon endowments, representing from 5 to 6 per cent. compound interest. Certainly this return could not be made even could it be guaranteed that 5 per cent. bonds should not shrink in value. The companies being mutual in their operations, it would be not only unfair, but unlawful to place the risks of any nationality upon their books that would certainly decrease the earnings of the members who are already insured.

I can understand the feeling that would prompt any government to ask that some part of the assets of a company operating within its jurisdiction should be invested therein, and I can assure you from a long experience, I have never yet known of a company seeking to do business in any country in which it did not also seek to invest some portion of its funds collected therein. I know this to be the case with Japan. Of course the American companies being organized upon national lines and not allowed to own real estate, except for office purposes, are shy about investing money upon mortgages in Japan. I understand that these investments can be made in a round-about way, so that in the event of a foreclosure the companies can protect themselves, but certainly no company would consider such an investment, when other countries offer a more straightforward and safe security. But all this we hope will pass away in the near future, and Japan will realize that in order to attract foreign capital she must allow such capital to acquire the best security that can be offered, viz: real estate. The moment this concession is made I feel sure Japan will go forward by leaps and bounds in such a way that she will gain a permanent influx of foreign capital, of which, I am sure the life insurance companies will contribute as much as any other investing medium, and allow me to say—Mr. Editor—that when all the nations of the world are knit together, as life insurance knits them, the interest in the life of each being the interest of all, and property destruction to any a loss to all, there will come a different understanding as to methods of settlement of international disputes.

As I said before, the life companies being largely mutual in their operations, it will be understood that every dollar collected in Japan must sooner or later be returned to Japan. Every life insured must at some time become a claim, either by death, expiry, or lapse. If from the two first causes, the insured always receives more money than he has paid in; if the contract becomes a claim by lapse, the insured withdraws all monies he has paid the company, less a small charge for withdrawal, all of which is expended in Japan, consequently the claim that is sometimes made that foreign companies are taking a great deal of money

out of Japan is clearly a mistaken one. The companies are here to obtain,—first: an average mortality throughout the world; to prevent a serious loss in any place affecting the companies' business or capital; secondly: they are here to find a more profitable field of investment than that offered at home, where interest rates are very low. This is borne out by the fact that no company has ever operated in any country for any length of time where it did not invest large sums of money.

In reference to the deposit of *yen* 100,000 required,—that is a small affair, in so far as the life companies are concerned. I do not think there is any company operating in Japan that would object to putting up a guarantee fund that could be easily reached in the event of a suit at law, but, unfortunately, as I understand it, the treaty provisions provide that no tax, charge, or license of any sort shall be imposed upon foreign companies that is not imposed upon native companies. I imagine no company would consent to a violation of these provisions, because the right to violate one provision must entail the right to violate all. Nor should it be to the interest of Japan to force any company to vacate the field, or to keep any reputable company from entering therein.

Japan,—according to the life insurance statistics of other countries—in order to be thoroughly insured, should yield *yen* 750,000,000 of insurance per annum. At present, there is not more than *yen* 30,000,000 being written. Under the most favorable conditions it will be many years before she can enjoy that insurance protection that is enjoyed by the rest of the civilized world.

In the above article I have assumed, and it is a mere assumption, that the order No. 146 referred to, requires a deposit first of *yen* 100,000, and after that, when the reserve calculated according to our home standard amounts to more than the sum in question, a further deposit will be required at the end of each fiscal year.

For the benefit of those who may read this article I would say that this reserve at the end of 20 years, estimating that the business is normal, will amount to about 50 per cent. of the face value of the insurance in force. In other words, if a company should do *yen* 5,000,000 of business per annum for 20 years, such a company would be compelled to have in the hands of the Japanese Government something over *yen* 49,000,000 of money. Of course there would in all probability be a considerable shrinkage from this amount by reason of lapse, death and expiry, but on the other hand, it would be only reasonable to assume that a company doing *yen* 5,000,000 per annum now, would be doing far more 20 years hence, consequently the amount of money deposited would probably be larger, although the ratio to the amount insured would be, perhaps, less; or, to put it in another way, the reserve the first year would amount to about 60 per cent. of the premium collected, constantly increasing until at 20 years it would amount to something over 95 per cent. of premiums paid.

Thanking you for your fairness towards the companies in the article mentioned and for the courtesy of printing this letter.

I am, very respectfully, BASIL H. BETTS.

Yokohama, August 5, 1903.

THE INSURANCE QUESTION.

IN our issue of the 7th instant we published a letter from Mr. BASIL H. BETTS; a clear, moderate and business-like letter, which has doubtless been widely read and duly appreciated. Mr. BETTS, at the outset, corrects some assumptions made by us with regard to the total amount insured by "the most prosperous company in Japan" and with regard to the time the Company has been operating in this country. We place entire reliance in our correspondent's explanation, but as to the disagreement between our own figures and those actually constituting the record of the Company to which he refers, we would point out that we had not any particular company in view, and that the data of our calculation were purely hypothetical though the theory was in agreement with that enunciated by Mr. BETTS.

This very important question presents itself under three aspects. The first is the amount of security that the foreign companies will actually be required to put up. The second is the form which that security must take. The third is the legality of the Government's Order from the point of view of the treaties.

As to the first point, stated in the briefest terms, the case is this: the Japanese authorities are understood to claim that the amount practically required by the Order will never greatly exceed one half of the amount of the premia. Mr. BETTS and other foreign insurance exports whom we have consulted, allege that the amount will ultimately be equal to one half of the sums insured. It will be observed that the difference is between "premia" and "sums insured:" a serious difference, for whereas one half of the premia collected by a company writing twenty million *yen* worth of insurances would be half a million *yen*, approximately, one half of the sum insured would be 10 millions of *yen*. In fact, the latter figure is twenty times the former. It appears useless to enter into an editorial discussion of a matter of arithmetic. We must assume that this discrepancy can easily be explained.

The second point, namely, the form which the security must take, is of much interest. It is here that the value of Mr. BETTS' lucid statement becomes chiefly appreciable. What he says, in effect, is that the great

insurance companies of modern times derive the bulk of their profits, not from payments made by policy-holders, but from clever financial manipulation of their assets. In other words, if a company collects a million sterling annually in the form of premia, it looks to obtain by skilled investment of that sum such a return as shall not only pay all its own running expenses but also enable it to share a large bonus with the persons insured. To do that it must have absolute control of its assets; not absolute in the sense of eschewing official inspection from time to time, or declining to comply with any precautions imposed by law in the interests of insured; but absolute in the sense of being able at any moment to transfer its funds from one kind of security to another and to take instant advantage of opportunities such as frequently present themselves to great capitalists. Now the Order in question requires, according to our correspondent, that the foreign companies must lodge their security in the form of Japanese five-per-cent. bonds; a practically permanent investment, since the bonds would necessarily remain always in the hands of the authorities. If the sum to be lodged were of trifling amount, say two or three hundred thousand *yen*, such a restriction might be tolerable. But when the amount rises to one half of the policies written, then it is evident that the Company's financial operations would be crippled beyond endurance. Probably in the whole world there is not any one form of security in which an insurance company would be willing to permanently invest its funds. Even English consols, if they carried 5 per cent. interest, would be ineligible. Thus far the ground taken by Mr. BETTS seems to us to be quite incontrovertible. But the question is, has he been accurately informed. Our own information as to the form of the security shows the Japanese expression to be *shumu-kwancho no ninkyo shitaru yûka-shôken*, or "negotiable securities sanctioned by the chief of the office having control of the business." That, as we read it, may mean any and every kind of security, foreign or Japanese, and is by no means limited to Japanese State bonds. Here, then, is a cardinal difference, and when we observe that the first point also involves a radical discrepancy, it appears to us that not only more light but also more conference is needed.

The third point is the conventional legality of the Order. We confess that we approach this problem with reluctance as it has already inspired some writing so intemperate as to damage the cause of the foreign companies. All experience of Japanese statesmen goes to show that they observe their treaty engagements with the utmost scrupulousness, and it is a fair assumption that when they take a step which has been under contemplation for three years, they have amply examined it by the light of the conventions. At all events, before engaging in any public discussion of this kind, it is well to be sure of the premisses, and we do not find in the treaties any provision that "no tax, charge or license of any sort shall be imposed upon foreign companies that is not imposed upon native companies." However, without considering actual phraseology, we entirely agree that the spirit of the treaties is to place foreigners and Japanese on an equal footing in Japan for purposes of trade and manufacture. But it is essential that the footing shall be equal. Is it equal in the present case? Do foreign insurance companies carrying on a branch business in Japan, having their assets invested abroad beyond the reach of Japanese creditors, and not being subject to the official inspection and control which Japanese companies must submit to, do such companies stand on an equal footing with Japanese companies in Japan, and are they entitled to claim exemptions equal to those enjoyed by Japanese companies in one direction while, at the same time, enjoying in another exemptions which the Japanese do not enjoy? We should like to hear what view Mr. BETTS, evidently a man of impartiality, takes of these considerations. It appears to us that since foreign insurance companies doing business in America or in an European State—with, perhaps, a few exceptions—do not in the eyes of the law stand upon the same footing as native companies, it would scarcely be just to claim more favourable treatment for foreign companies in Japan.

THE INSURANCE QUESTION.

TO THE EDITOR OF THE "JAPAN MAIL."

SIR,—In your issue of the 11th instant, you present this very important question under three heads, as follows:—

First.—The amount of security that the foreign companies will actually be required to put up.

If a company issues one contract each year for *yen* 1,000 for 20 years upon the 20 Year Endowment plan, (which is the average plan of business in Japan,) at age 35, premium *yen* 52.13, they would receive from those insured *yen* 10,947, and they would have to put up as reserve, *yen* 9,248. This leaves a balance of *yen* 1,699, in the hands of the Company, out of which the expense of management and dividends are provided. Of course, as I stated in my former letter, a large percentage of dividends comes from keen financiering, but a certain percentage is also earned by economical management. This serves to illustrate the point that I want to bring out, viz:—That nearly the entire premium collections of a company are invested in the reserve. These figures it must be remembered, are exact, and as immutable as the laws of life and death, consequently they end the matter in so far as the amount of reserve deposits demanded are concerned.

Second.—As to the form which that security must take. Like yourself, I am not certain that the Japanese Government has ever asked that the companies shall deposit as a reserve fund 5 per cent. Japanese Bonds. The order, as you state, says there must be deposited with the authorities designated "Negotiable securities, sanctioned by the Chief of the Office having control of the business," but a gentleman who called upon the authorities in Tokyo in reference to the matter, advises me that he was told by such authorities that only Japanese 5 per cent. Bonds would be accepted. I immediately wrote to a Japanese gentleman in Tokyo, who could get at the heads of the Insurance Department, asking him to look up the subject and advise me as to just what the Government wanted. He writes me, under date of July 8, 1903, that after interviewing the proper authorities he learns:—first, that the Department requires a deposit of *yen* 100,000 in Japanese Government Bonds. Secondly, the Department requires the actual deposit of each companies' legal reserve in cash, or, in Japanese Government Bonds.

Under these circumstances I assume that my correspondent was properly informed and that the Government has made a demand that reserve deposits shall be in Japanese Government Bonds, inasmuch as a deposit of cash, without some guarantee of interest sufficient to meet policies at maturity, would be out of the question.

The third point, as you state, is the conventional legality of the order, and upon this point hinges, I think, the most important part of the controversy. You state—"We do not find in the Treaties any provision that no tax, charge, or license of any sort, shall be imposed upon foreign companies that is not imposed upon a native company."

In answer to this I would call your attention to Article I, last paragraph of the Japanese-British Treaty, which says:—"They (British subjects) shall not be compelled under any pretext whatsoever to pay any charge or tax, other or higher, than those that are, or may be, paid by the native subjects or citizens, or subjects or citizens of the most favoured nation." Article III, last paragraph, also says:—"They (British subjects) shall enjoy respectively the same treatment in matters of commerce without having to pay taxes, imposts, or duties of whatever nature or under whatever denomination, levied in the name of, or for the profit of the government, other or greater, than those paid by native subjects."

The American Treaty has, I understand, the same rights and privileges granted it as the most favoured nation, and would, of course, come under this clause. If there is nothing else in the Treaty bearing upon this subject, and I must confess I have been unable to find anything of such a nature, then the Treaty seems conclusive. At any rate, no attempts that I have made so far, either by letter or through the American or British Ministers, have been able to elicit any further information upon the subject; and yet I must confess that my experience with Japanese statesmen would make me hesitate to believe that they would attempt to issue any such order as the one in question, without some foundation upon which to proceed, and I am sure the insurance interests will be most grateful for any additional information upon the subject.

I concede that the Japanese Government acted in a most liberal spirit in making the Treaty in question, (assuming that there is no rider attached to the parts I quoted), but at the same time, the Treaty, having been made, should not in any way be abrogated. If the Japanese Government thinks it has acted too liberally in this matter, it is within its province to arrange another Treaty with the governments in question. As a well-wisher of Japan, however, I must say it seems a little inconsistent for a government to come forward with a dishonored Treaty in one hand (always provided, however, that the order No. 146 is in violation of Treaty provisions) and at the same time ask that enormous amounts of money shall be invested in its bonds.

As to the equality of footing that would exist between Japanese and foreign companies, I can only say that all American companies hold their books and assets open to the inspection of the Japanese authorities precisely as they do to the American Insurance Commissioners; and any representative, either ministerial, consular, or otherwise, that may be designated to examine into the finances and management of the American companies, will receive every courtesy and be offered every opportunity that they may desire for an investigation of any company's affairs.

As I said in my former letter, these companies are mutual in their operation, giving to their members insurance at the exact cost of producing and maintaining same. This would not be the case did every government under which they operate require that they should invest their assets in bonds issued by them. No two countries perhaps are on an exact par as to the value of bonds they issue, and it would certainly be unfair to the insured of some nations to compel them to invest their money in the bonds of others. On the other hand, it would hardly be fair to allow the Japanese insurers the benefit of the wonderful results of investment and financiering that has been accomplished elsewhere, when their government says that the companies must invest that portion of their assets collected in Japan, in securities that under the most favourable conditions must curtail the companies' earnings. Therefore it must be apparent that one governmental supervision must be accepted or rejected by all; and as a matter of fact, this is the policy adopted by every other civilized country in the world.

There are some governments which require that the assets of the companies operating therein shall not be invested in certain classes of securities, to which requirement some companies object and refuse to comply, but the certificate of the American Insurance Commissioner is always accepted as to the value of the securities held by the different companies and their manner of conducting business. Some governments require that a certain amount of securities shall be deposited before insurance companies shall do business therein, but these requirements have only been put forward after such countries have developed life insurance companies of their own nationality sufficient to take care of the business therein. This is certainly not the case with Japan. While it may be that some of the Japanese insurance companies are quite as good as those of other nations, the fact certainly remains that it will be many years before the Japanese companies will be financially able to carry the insurance of the Japanese people, as compared with the insurance of other nations. I might mention in passing that no company can take more than 20 per cent. new business per annum and deal fairly with its old policy holders. It should, therefore, not be the object of Japan, in my opinion, to prevent

any reputable company from doing business within her jurisdiction, nor do I think there should be any fear that any creditor of the foreign insutance companies now doing business in Japan could not obtain ample satisfaction through the Japanese court. Certainly there has been no instance in which any foreign life insurance company has sought to evade the payment of any judgment rendered against it, and should any Japanese company seek to enter a foreign field, they would find that no country would ask them to put up the reserve collected therein in the hands of the government under which it decides to operate. Should an entrance fee be charged, that is another matter, and one that I do not blame Japan for taking up. If she cannot do so under the Treaties, then by diplomacy have the Treaties revised. If, on the other hand, the treaties permit a charge to be made and Japan chooses to make such charges, it is clearly her right, and those companies who do not care to comply can withdraw, but it seems to me that it would only be courteous and fair for the Japanese Government in promulgating an order of this sort to state under which of the Treaty provisions the deposits in question are asked for, and not leave the question open to discussion. It seems rather difficult to get an interview with any of the heads of Departments at Tokyo, or to get any satisfaction of a nature to finally settle the question; but I presume that the matter will be made plain to us in time as to why the demand for the deposits is made and what disposition will be made of the part of the order referring to reserve deposits.

To recapitulate this last clause:—I cannot see wherein the native companies are in any way placed upon an unequal footing under the arrangement which foreign companies are working. I am aware that in some quarters an opinion prevails that native companies are required to deposit some security before commencing business. This is really not so. *Native stock companies, organised for the purpose of making money for their stockholders are required to put up 25 per cent. of their capital stock when chartered. But no such deposit is required of mutual companies, nor do I think there is any charge or tax of any kind levied upon such companies. The 25 per cent. required of stock companies is in the nature of a charter guarantee and not for the privilege of doing business.* This is in keeping with similar requirements in other countries. The only remaining question, therefore, if the right of the Japanese authorities to inspect and supervise the foreign companies' assets and investments is conceded, and as I said before, such right is not only conceded but invited, is the advisability of having some assets that can be reached easily in the event of suits at law. This matter can be easily settled by the companies in question giving satisfactory indemnity bonds to cover the amount in question in the event of suits.

Very truly yours, BASIL H. BETTS.

THE INSURANCE QUESTION.

In our issue of the 14th instant we published a second letter from Mr. Basil H. Betts on the subject of the security which foreign insurance companies doing business in Japan are required to furnish according to the terms of the recent Order. One of the main points under discussion is whether in calling for this security, the Japanese Government is committing a violation of the treaties. Our correspondent is disposed to answer in the affirmative. In his previous letter he referred to the treaties as providing that "no tax, charge or license of any sort shall be imposed upon foreign companies that is not imposed upon a native company." But the treaty articles relating to this matter do not anywhere speak of "companies" or "licenses." Hence we were unable to identify our correspondent's reference. It would now seem, however, that he did not quote but only paraphrased, and in his second letter he clearly sets forth the grounds of his contention that the Japanese Government is violating the conventions. We therefore confine ourselves to this second letter.

Therein Mr. Betts adduces, first, the last paragraph of Art. I. of the Japanese-British Treaty which he quotes thus:—"They (British subjects) shall not be compelled under any pretext whatsoever to pay any charge or tax other or higher than those that are, or may be, paid by native subjects, or subjects or citizens of the most favoured nation." As to this there are two comments to be made. The first is that the word "they" does not mean "British subjects" alone: it means "the subjects of each of the two High Contracting Parties." In fact, this Article, in common with the remainder of the Treaty, is essentially reciprocal in character. The point is not immediately vital, but it will presently be found to have importance. The second comment is that the First Article of the Treaty has no bearing whatsoever upon the question at issue. The First Article provides explicitly for certain things; namely, liberty to enter, travel and reside in the dominions or possessions of either Party; protection for persons and property; free and easy access to courts of justice; liberty to choose and employ lawyers; enjoyment of all rights and privileges accorded to native subjects in connexion with the administration of justice; rights to possess goods, succeed to personal estate, dispose of property, publicly exercise their worship and bury their dead. It is in connexion with these various rights and privileges that the two contracting Parties promise each other's subjects exemption from any charges or taxes higher than those paid by native subjects. The Article contains no word that can be construed as bearing upon the pursuit of an enterprise like insurance.

Therefore this Article may be ruled out of the discussion altogether. At the same time we do not at all suggest that its elision affects our correspondent's argument. The First Article is quite unnecessary for the purposes of his contention. He can rest his case solidly on the Third. There it is undoubtedly written that "in matters of commerce and navigation, they"—that is to say, "the subjects of each of the High Contracting Parties," not merely "British subjects"—"shall enjoy respectively the same treatment as native subjects, or subjects or citizens of the most favoured nation, without having to pay taxes, imposts or duties, of whatever nature or under whatever denomination, levied in the name or for the profit of the Government, public functionaries, private individuals, corporations or establishments of any kind, other or greater than those paid by native subjects, or subjects or citizens of the most favoured nation, subject always to the Laws, Ordinances and Regulations of each country."

Now it is here that the reciprocal nature of the Treaty must be insisted on. The Third Article explicitly and emphatically provides that the subjects or citizens of each of the Contracting Parties shall enjoy within the dominions of the other in matters of commerce and navigation the same privileges and exemptions as native subjects or citizens, within the limits of each country's laws, ordinances and regulations. Let us suppose then, that a Japanese subject went to the United States of America or to Germany with this Treaty in his hand, and claimed the right of undertaking insurance business there on precisely the same footing as an American citizen or a German subject. Would his claim be admitted? Not for an instant. The Authorities would refer him to the laws of the country, which provide that certain special security must be put up by a foreign insurance company in order to compensate for the fact that its assets are beyond the reach of the national tribunals. If then, as Mr. Betts suggests, the Japanese Government acted too liberally in framing this part of the Treaty, so did the German Government, so did the United States Government, and so, in short, did all the Occidental Governments. For they, on their side, promised that within their territories the privileges and exemptions enjoyed by their own citizens and subjects should be extended to Japanese subjects. And if Japan is now "coming forward with a dishonoured treaty in one hand," so also are Germany, the United States and the rest. For they, on their side, are not prepared to grant such privileges and exemptions in the matter of insurance. They very properly refer to their national laws, ordinances and regulations, to which the Treaty explicitly assigns a limiting power, and by which in nearly all countries insurance business is subjected to special treatment.

We regret to differ from our correspondent in this particular, because on the whole we sympathise with his well marshalled arguments and endorse his position. There remains, however, one difficulty. It is that if only such companies as that represented by Mr. Betts were in question, problems about security and assets would at once sink into insignificance. But legislators can not take anything on trust. Their enactments must be contrived to meet contingencies of every kind. Is it not, then, within the range of very conceivable possibilities that were no security required, Japanese insurers might find themselves exploited by a firm of nationals possessing no valid claim to credit of any kind and unable to furnish any trustworthy certificates? There must be some special protection, we think.

THE INSURANCE QUESTION.

IN his remarks covering an interesting account of an interview between representatives of the leading life insurance companies of the United States now doing business in Japan and Mr. WADA, Director of the Bureau of Commerce and Industry, Mr. BASIL H. BETTS makes the important point that there is comparatively little discrimination in the States of America against foreign life insurance companies. The discriminations in the case of fire and marine companies is much more marked. With reference to that we append at the close of this article some epitomes of the practice in a few of the States. Of course our own remarks were not limited to any one class of insurance, but it is necessary to notice that Mr. BETTS' reference is to life companies only. Some of his readers have already failed to observe this distinction.

What seems to us specially noticeable in the answers given by Mr. WADA to Mr. BETTS and Mr. HAMILTON is that a radical difference is clearly indicated between the Japanese official method of calculating the sum which the insurance companies will have to put up under the new order and the companies' method of calculation. We have from the first expressed our conviction that some such difference must necessarity exist. Although —a fact which is somewhat incomprehensible—Mr. WADA did not appear to be in a position to explain the official method clearly, there is room to hope that when a clear explanation is forthcoming, the proposed system will lose most of its objectionable features, for, as we understand the matter, what the companies complain of is not the necessity of lodging security to the extent of one or two hundred thousand *yen*, but the necessity of investing many millions in securities not of their own chosing, to say nothing of other deterrent features. It has always to be remembered, and we trust the Japanese Authorities will remember, that foreigners are peculiarly circumstanced with regard to investments in Japan. Not only is the ownership of real estate forbidden to them, but also many of the most advantageous securities are beyond their reach. This disability ought certainly to be taken into account by the framers of such an order as that now under discussion. At the same time, the attention of the Japanese at large may thus be directed to the disadvantages they bring upon themselves by this restrictive policy. Undoubtedly if the privileges of owning real estate and exercising the same latitude of choice as Japanese subjects in acquiring securities were granted to foreigners, the agents of great insurance companies would soon be tempted to direct to this country capital now invested at comparatively low rates of interest in America and Europe. Mr. BETTS has explained convincingly and succinctly that none of the money collected by foreign insurance agents in Japan ultimately leaves this country. But it does go abroad temporarily for investment, and that is an interlude which it is very much in the interest of Japan to prevent by placing all her best securities within the reach of foreigners. Besides, these big insurance companies are the greatest capitalists, the greatest financial institutions, in the world. No country can afford to antagonise them, especially a country like Japan where there is urgent need of capital. It is therefore to be hoped, and indeed we confidently expect, that some *via media* will be found.

The following references explain the attitude of some of the States of America :—

Connecticut.—Every stock, fire and marine insurance company must possess a cash capital of $150,000, actually paid in and securely invested, if organized in this or any other of the United States. *Every fire or marine insurance corporation foreign to the United States must possess a cash capital of $200,000 paid up and shall have said amount on deposit with the Treasurer of this or the proper office of some other State, in securities authorized by law for savings banks.*

There is here an emphatic discrimination with regard to foreign companies, but only fire and marine companies.

Massachusetts—Every life company must possess available cash funds to the amount of $100,000, and have policies in force to at least 1,000 persons, aggregating not less than one million dollars. Assets must be of net cash value equal to liabilities including legal reserve. *Every foreign life company must deposit or keep in the hands of trustees in exclusive trust for policy-holders in the United States the net value of all its policies in the United States, and not less than $200,000.*

Here is emphatic discrimination in the case of life companies.

Minnesota—Every fire company doing business in this State must possess a paid up capital of $100,000. *Every company foreign to the United States must deposit with the proper official of some one of the States for the security of all its policy-holders in the United States security to an amount equal to the capital required of like companies under the laws of the State.*

Here again is discrimination, for whereas the home company (fire) is only required to have a paid up capital of $100,000, the foreign company must deposit that amount with the proper official.

Missouri.—Every joint stock fire and marine company shall possess a paid-up capital stock of at least $200,000. *Every foreign company (other than life or*

cident companies) shall have on deposit not less an $200,000.

Here again the foreign companies (fire) e required to deposit whereas the home ompanies need only have paid up capital.

New York—Every fire or marine company must ssess a paid-up capital of $200,000. No deposit required. Every life company must possess at ast $100,000 invested in the stocks or bonds of the nited States, the State of New York, or of the State here the Company is located, or in loans &c. Such ecurities must be deposited with the Auditor, con-oller or chief financial officer of the State where aid Company is incorporated. *Every foreign re and marine company must have within the nited States, deposited with insurance departments held in trust and invested in securities of the same eneral character as those which companies of the tate are permitted to hold not less than $500,000, nd not less than $200,000 if a life or casualty ompany.*

Here the discrimination is one of amount n the case of all companies, and one of manner of holding in the case of fire and marine companies.

Tennessee—Life companies must satisfy the Insurance Commissioner that they have on deposit with the Treasurer of this State or with the proper officer of some other State, securities to the *cash value of $ 00,000. Companies foreign to the United States must deposit* with the Treasurer of the State or with the financial officer of some other State of the United States or with trustees who are citizens of the United States, &c., a sum of *not less than $200,000 in securities* approved by the Insurance Commissioner.

Here the difference is one of amount only.

A writer in the *Jiji Shimpo* makes the point that if a foreign insurance company doing business in Japan conceived at any moment the idea of withdrawing its office from this country, the Japanese subjects holding policies in it would be virtually powerless. They would have no security for the fulfillment of their contracts, since they could scarcely be expected to carry their cases to Europe or America. Then the only way to make these offices certainly accessible is to insist that they shall have deposits in Japan.

The same writer notes that this deposit question may be associated indirectly with that of foreign capital, inasmuch as the money collected by a foreign agency in this country must, in the absence of any deposit, be transferred to Europe or America for investment, temporarily at all events. He does not notice, however, that the greater part of it necessarily returns to Japan in the long run, and that in some cases the sums accruing to the insured exceed the total sums paid by them in premia. We are of the opinion, however, that legislation for the security of Japanese subjects insuring in foreign offices ought to be quite independent of measures dictated by the empire's fiscal policy.

The *Jiji's* informant takes also some pains to show that the deposit demanded by the Government is not excessive. But he confines his argument to the sum of 100,000 *yen*, failing to notice that if that amount alone were in question there would be no manner of complaint on the part of the insurance offices, unless they were so unwise as to insist upon an unwarrantable rendering of the treaties. The treaty argument is unhappily weak, and the sooner it ceases to hold a leading place in the discussion the better for the cause of the insurance offices.

THE INSURANCE QUESTION.

TO THE EDITOR OF THE "JAPAN MAIL."

SIR,—Referring to your leading article in this morning's issue on the Insurance question, I am sure it would interest the Agents of British Companies if you would state how far the arguments addoced apply to them.

Can a Deposit, not required in Great Britain, be enforced here under the Clause in the Treaty as to reciprocal freedom of Commerce?

Can British or other Nationalities, be said to enjoy the same treatment in matters of Commerce, as Native subjects, when they are asked to deposit *yen* 100,000 whilst Native Companies do not have to make any such deposit?

Yours faithfully,

AN AGENT OF A BRITISH COMPANY.

Yokohama, Aug. 21st, 1903.

TO THE EDITOR OF THE "JAPAN MAIL."

SIR,—I read with interest your article upon the above subject this morning, and regret that I have not the time at my disposal to go into the matter very thoroughly, but will simply sketch the conditions, as you mention them, upon which foreign companies can do business in the United States:

Alabama: In this State, as you say, foreign companies must deposit securities to the amount of *yen* 400,000, in excess of what would be required of a company organized in Alabama.

Connecticut, Iowa, Kansas, Kentucky, Massachusetts, Minnesota, Mississipi, Missouri, New York and Tennessee require exactly the same guarantees from companies organized in the respective States, or any other State of the Union, as they do from foreign insurance companies.

We find, therefore, that in Alabama foreign life insurance companies are discriminated against to the extent of *yen* 400,000, but we must not confuse your readers with the idea that it would be necessary for the deposit to be made in each State. As a matter of fact, a deposit of *yen* 400,000 in Alabama, or any other State, would be sufficient security to allow foreign companies to operate in any State in the Union.

Aside from Alabama, or, in other words, in forty-five States of the Union Japanese life insurance companies can operate upon precisely the same basis as native companies.

When it is taken into consideration that the deposit made in the State which discriminates against foreign companies is not required to be of any particular kind, or even to be American securities, and that they can be sold and replaced at any time by any other security of a like value, it will be seen that the conditions are not onerous.

Furthermore, we must take into consideration that the United States has a population of over 80,000,000 of people and furnished over *yen* 6,000,000,000 in life insurance last year, with the lowest mortality experience of any country upon the globe. Against this, Japan yielded last year in life insurance something like *yen* 30,000,000, with an uncertain mortality experience.

In contrast to the conditions imposed by the United States upon foreign companies, I would submit for your consideration the following interview between Mr. Wada, Director of the Bureau of Commerce and Industry at Tokyo, and Mr. J. T. Hamilton of the Equitable and myself:—

Mr. Betts: Will the Japanese Government require in accordance with the order No. 146, a deposit of *yen* 100,000 upon October 31st, and in addition thereto, upon the 1st of January following, the legal reserve of the foreign companies operating in Japan?

Mr. Wada: Yes.

Mr. Betts: Does the Japanese Government require the native companies to deposit in the hands of the Government *yen* 100,000 as required in the order 146?

Mr. Wada: No; we think that the fact that we

diocese of Treviso, in the north of Italy, June 2, 1835.

Pius X first studied at a seminary at Treviso, continued his education at Padua, the seat of one of the great universities of the world, and finished at the Sacra Theologia at Rome. He was consecrated priest in 1858, being in his twenty-third year, at Castel Franco, the birthplace of the great master, Georgione. For nine years following he was just a plain parish priest. His first cure was at Tombolo, a village in the province of Padua, of some 3,000 people. These were the first to appreciate his virtues. His kindness was untiring. He sought to fill the wants of his flock and never a murmur was heard when he was called in the middle of a winter night to a deathbed

to comply with the order in question, what kind of securities would the Japanese Government demand?

Mr. Wada: Japanese bonds.

Mr. Betts: Do I understand you to say that in the event of the companies complying with this order, the Japanese Government will accept no security other than 5 per cent Japanese Bonds?

Mr. Wada: No. I will designate five kinds of Japanese bonds, bearing 5 per cent interest, any, or all of which the companies may deposit as reserve security, and the *yen* 100,000 asked for. Inasmuch as your companies at home only earn about 3 per cent. interest, we think that our 5 per cent. Government Bonds will make you a better investment than you find at home.

Mr. Betts: How can you expect companies like these to guarantee policy-holders that their contracts will be met at maturity, unless the Government that compels them to invest in its securities, can give some guarantee it will not default upon its interest obligations?

Mr. Wada: It is not contemplated that the Japanese Government bonds will shrink in value. We think our bonds quite good as an investment, and our laws are framed in such a way that it gives us the power to enforce this order and we intend to do so. Companies that have no confidence in our bonds should not operate in our territory.

Mr. Betts: Supposing the bonds should depreciate in value, even though we may have paid the full value of the reserve for same at the time of purchase, what effect or bearing would that have upon the deposit?

Mr. Wada: You would be required to purchase additional bonds of the same sort to make good such deficiency.

Mr. Betts: But we could not do that, for the simple reason that we would be depositing more than the reserve in the event of additional bonds being required, consequently affecting the mutuality of our company towards the citizens of other nations.

Mr. Wada: If you did not want to put up additional bonds, you could deposit cash, which of course would not fluctuate in value.

Mr. Betts: But what guarantee would the companies have in the events of the Japanese bonds becoming worthless that the Government would not also make away with the cash? It must be conceded that when a country gets to such a low ebb that its bonds are practically worthless, it would not be a safe country in which to deposit cash. I am not now speaking of Japan alone, I am simply taking the attitude that the company would naturally take towards any Government, let it be British, French, American, or any other, that required such a deposit.

Mr. Wada: This is Japanese law and we shall require the deposit as per the order mentioned, and any company that does not feel disposed to comply with the order in question will have the privilege of withdrawing from Japan.

Mr. Betts: In the event of a threatened depreciation of these bonds would the Government allow the companies to change to some other form of security?

Mr. Wada: Yes, to some other form of the five kinds that will be designated, but no others.

Mr. Betts: Is it desired by the Japanese Government to force foreign companies to retire from the Japanese field?

Mr. Wada: No. We are anxious to encourage in every way possible foreign companies to operate in Japan. They are teaching our people the value of accumulating money for their families, and setting an example that we are anxious for our companies to emulate.

Mr. Betts: Then as I understand it, the Japanese Government requires the foreign companies to deposit their legal reserve, which will amount to nearly their actual assets.

Mr. Wada: No. The legal reserve cannot amount to but a very small portion of any company's assets.

Mr. Betts: I beg your pardon, but take my own company as an illustration. We have about $400,000,000 assets; $332,000,000 of which is legal reserve, and $30,000,000 is deferred dividends, leaving a balance of $38,000,000, which is surplus, or, less than 10 per cent. consequently you see that nearly the entire assets of a company are invested in the legal reserve.

Mr. Wada: Oh! You do not understand. We do not propose to calculate the deposit in question upon the basis you do. We do not ask any such immense amounts to be deposited with the Government as you indicate. We have a different method of calculating our legal reserve.

Mr. Betts: Ah, indeed! I did not know there were any two methods of calculating legal reserve. I have always thought and understood that a certain amount of money at a certain percentage of interest must be required to meet a given amount at the end of a given period. I cannot understand how there could be any deviation from this rule, inasmuch as a company states upon what basis of reserve it writes business in the contract, consequently there can be no question as to the amount that would be required to meet such contract.

Mr. Wada: We have a different way of calculating reserve.

Mr. Betts: Will you kindly give me your method, so that I can form an estimate of what the companies will have to deposit, in addition to the *yen* 100,000 demanded?

Mr. Wada: We can't do this until we know how much business the companies have transacted during the past year in Japan.

Mr. Betts: But that can't make any difference; it would be identically the same whether it was calculated upon a basis of *yen* 1,000 or *yen* 1,000,000, your formula must be the same.

Mr. Wada: (After much consultation with his advisors), We are not prepared to give this formula now; in fact, we have not gone into the matter sufficiently yet, nor can we do so until we receive some data as to the amount of business that has been transacted in Japan during the last twelve months.

Mr. Bett: Inasmuch as the company which I represent has been doing business in Japan only during 1903, as as the New York Life has only done a small percentage of business prior to 1903, would it not be well to defer the whole matter until March 1st, 1904? This would enable all the companies to make a report for a full year's work, and we could then get a better understanding as to what would be required. It would not, in my opinion, be fair to ask the companies to go ahead and put up *yen* 100,000 and then find the after conditions too onerous to comply with.

Mr. Wada: We have no intention of extending the time of the deposit, nor can we promise that we will give you the formula upon which to calculate the amount of reserve deposit that will be required before October 31st. We can only say that there will be no extension of time.

Mr. Hamilton: I would like to ask a few questions. I understand that there is one company operating in Japan which has already in its possession in London, Japanese bonds amounting to £10,000 or the *yen* 100,000 asked for. Would that be sufficient to comply with the terms of the order?

Mr. Wada: No. Not unless the bonds were deposited in Japan.

Mr. Hamilton: We have in our contracts an agreement to loan the insured at any time nearly, or quite the full amount of the legal reserve. Now then, assuming that we should deposit with the Government the local reserve in question, and the insured would come forward and demand a loan, in accordance with his contract, would we not be putting into Japan twice the amount of the reserve?

Mr. Wada: That is a private contract between you and the insured, with which we have nothing to do.

Mr. Hamilton: Would the Japanese Government require a company that refused to comply with the order in question and retired from the Japanese field, to put up the legal reserve upon its business already in force?

Mr. Wada: No. (After long consultation with his advisors), I withdraw my answer to the last question. We are not prepared to state at this time whether the Government will require the deposit upon business already in force or not.

Mr. Betts: Supposing the company should comply with the order in question and would put up the reserve asked for, let us assume that a policy-holder has a policy with one of the companies for *yen* 10,000; at the end of 10 years, or some other period, he comes forward and demands *yen* 5,000 from the company and gives a receipt certifying that he has borrowed so much money, and consequently only has so much interest in the policy upon which the reserve has been deposited; would the Government accept such a certificate or receipt as a reserve deposit upon the original contract upon which the insured had already received the benefit?

Mr. Wada: No. As I said before to Mr. Hamilton, this would be a private arrangement between your company and the insured, and one of which the Government would not take cognizance.

Mr. Betts: Is not this understood. You say you are trying to protect the interests of Japanese insurers; we accept your statement in good faith, but when your insurers release the company of a certain portion of its obligations, is there any reason why the Government should require a reserve upon a contract that does not exist?

Mr. Wade: Such is our law and must be complied with.

Mr. Betts: Now then, I understand that in the event of a company purchasing Japanese bonds, as designed by the Government, and these bonds depreciate in value, we are not to be allowed to dispose of same unless we reinvest in another security, which would naturally be affected by the depreciation of the first security in question?

Mr. Wada: Yes, you are to understand that. It would be to the interest of your companies to protect our bonds and keep them at a proper volue.

Very truly yours, (Signed) BASIL H. BETTS,
J. T. HAMILTON.

P.S.—I do not remember the answer to the last question. J. T. H.

UNITED STATES LEGATION,
TOKYO.

DEPT OF STATE
DEC
15
1903
2ND ASST SECRETARY

DIPLOMATIC BUREAU
BUREAU OF ACCOUNTS
Note, ack & file.

No. 16.

October 6, 1903.

Ackd Dec. 24

INDEX BUREAU
REC'D.
DEC
15
1903
DEPT. OF STATE

CLERK.
DEC 15 1903
of State.

Mr. Lloyd C. Griscom to the Secretary of State.

INDEX BUREAU
DEC 29 1903
FILED

Subject:

Lease of land in front of Legation.

UNITED STATES LEGATION.
TOKIO.

No. 16. October 6, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to acknowledge the receipt of instruction No. 11, of date August 12, last, by which I am authorized to lease for thirty years, at an annual rental of $ 4.49, a small piece of land adjoining the Legation premises, and to include the said rental in the Legation account for rent of grounds.

I have now to report that, on the 2nd instant, I signed the lease in question, an English translation of which is herewith enclosed.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd Griscom.

Enclosure:

Translation of lease as noted.

Enclosure with Mr. Griscom's No. 16 of Oct. 6, 1903.

Translation.

L E A S E .

Whereas it has been agreed that a lease of the lot of ground No. 1-2, Enokizakacho, Tameike, Akasaka Ku, Tokio, shall be granted to the Government of the United States of America for the use of the Legation of the United States of America.

Now, therefore, the undersigned Baron Senge Takatomi, Governor of Tokio Fu, of one part, and Lloyd C. Griscom, Envoy Extraordinary and Minister Plenipotentiary of the United States of America, of the other part, being duly authorized by their respective Governments, have for themselves and their successors in office respectively, agreed upon the following Articles:

Article I.

The said Baron Senge, Governor of Tokio Fu, on behalf of the Imperial Japanese Government, hereby leases unto the said Government of the United States of America, the said lot No. 1-2, Enokizakacho, Tameike, Akasaka Ku, Tokio, containing in all Seventy-five (75) tsubo and One (1) go and Three (3) shaku, as set out in the annexed plan, to be held and occupied for the use of the Legation of the United States of America for the term of thirty (30) years from the date of the present Lease; provided that so long as the said Minister and his successors in office shall occupy the same for the purposes of the Legation of the United States of America and for no other use, no charges of any kind whatever shall be levied, except the rent therefor, as hereinafter specified.

It is also agreed that at the end of each successive period of thirty (30) years the present contract shall be renewed for the same term and Leases in the same form shall be exchanged, unless the Government of the United States of America shall have given notice, six months before the expiration of the said period, to the Imperial Japanese Government of their wish to surrender the lot.

Article II.

The annual rent for the said lot, containing Seventy-five (75) tsubo and One (1) go and Three (3) shaku shall be Nine (9) yen and One (1) sen and Six (6) rin, the rate being fixed at Twelve (12) yen per One Hundred (100) tsubo, payable inadvance on the 1st of April in each year by the said Minister of the United States of America or his successors in office, it being understood and agreed that the amount of rent for the period from the 29th day of the 6th month of the 36th year of Meiji to the 31st day of the 3rd month of the 37th year of Meiji, shall be payable on the day of the execution of the present Lease by the said Minister of the United States of America to the said Governor of Tokio Fu.

It is also understood that the amount of the annual rent aforesaid shall remain unchanged during the term of the present Contract.

Article III.

It is agreed that in case the said lot should be required either by the Imperial Japanese Government for national purposes in general, or by the local authorities of Tokio for the purposes of public benefit, the said Minister of the United States of America or his successors in office shall surrender the lot within eighteen (18) months from

the date of the receipt of an application to that effect from His Imperial Japanese Majesty's Minister for Foreign Affairs.

It is, however, understood that the Imperial Japanese Government will undertake to make due compensation for any loss which may result to the Government of the United States of America by reason of the aforesaid surrender of the said lot and removal of the buildings constructed thereon and will also assign to the said Government another suitable lot in lieu of the lot so surrendered.

In case the contracting parties should be unable to agree as to the amount of the compensation above mentioned, each party shall appoint an appraiser and the two appraisers so appointed shall in turn jointly appoint a third appraiser and the three appraisers thus appointed shall fix the proper amount of such compensation.

Article IV.

It is agreed that in case the Government of the United States of America should desire to surrender the said lot, it being no longer required, the said Minister of the United States of America or his successors in office shall give notice to His Imperial Japanese Majesty's Minister for Foreign Affairs to that effect, and deliver the said lot to the Government of Japan after removing at the expense of the Government of the United States of America, all the buildings and other establishments constructed thereon.

It is, however, understood that in such case no part of the rent already paid shall be refunded to the Government of the United States of America.

In witness whereof we have hereunto signed our names and affixed our seals.

Done in duplicate at Tokio, this 29th day of the 6th month of the 36th year of Meiji, corresponding to June 29th 1903.

Signed: Baron Senge Takatomi,

Governor of Tokio Fu.

Signed: Lloyd C. Griscom,

Envoy Extraordinary and Minister Plenipotentiary of the United States of America.

UNITED STATES LEGATION,
TOKYO.

DIPLOMATIC
NOV 10 1903
BUREAU.

No. 17.

October 17, 1903.

DIPLOMATIC BUREAU
To the Compliments.
Ack.

INDEX BUREAU RECEIVED NOV 9 1903 DEPT OF STATE

DEPT OF STATE
NOV
10
1903
2ND ASST SECRETARY

FOR RELS. 1903.

Mr. Griscom to the Secretary of State.

Copy & The Par-
sons Mfg Co.'s
Aug 31, 1904 Takazaim
C and To Richards
Co.'s C Feb. 3, 1904
C Ackd and
To The H & J. Trade
Co. Nov. 13, 1903
file H & J C.

Subject:

Registration of the G. and J. Trade-Mark in Japan.

INDEX BUREAU NOV 19 1903 FILED

UNITED STATES LEGATION,
TOKYO.

No. 17. October 17, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to acknowledge the receipt of your instruction No. 14 of the 2nd ultimo [not printed] directing me to investigate and report upon the protest of the G. and J. Tire Company against the copyrighting of their trade-mark in Japan by Rikichi Sumi, a bicycle dealer of Osaka.

As mentioned in the Company's letter to the Japanese Consulate in Chicago, Rikichi Sumi has in fact registered as a trade-mark for bicycle tires G. and J. in Roman letters and the registration was published as No. 19792 in the Official Gazette of July 30, 1903. The rights to use this well-known American trade-mark in Japan thus belong exclusively to Rikichi Sumi unless the cancellation of his registration can be brought about.

Subject to certain conditions, anyone may register any trade-mark to use for his goods, unless such trade-mark has already been registered by another in the Japanese Patent Office.

Among trade-marks which may not be registered, according to Article II of the Trade-Mark Law, are:

"Art. II, 4. Those which are exactly similar to or re-
"semble one already in use for the same article by
"other persons, or one which has not for more than one
"year lost the effect of registration.

"Art. II, 5. Those which are exactly similar to or re-
"semble one in use by another person prior to the com-
"ing into force of these regulations.

Art. II, 6.

"Art.II,6. Those which show the common name of an "article or its place of production, or which show its "grade, quality or shape by customary commercial let- "ters, diagrams or marks, or which mention commonly "used names of persons, companies or partnerships or "business names by common type of letters".

With reference to Article II,5, Mr. W. Silver Hall, the best known patent agent in Japan, says in his Manual of Japanese Patent, Trade-Marks and Designs Law:

> " Apparently this would prevent A from registering a "trade-mark similar to a foreign trade-mark previously "known and used in Japan as distinguishing goods im- "ported by B; but in several test cases, one of which "was carried to the Supreme Court,in which the plain- "tiff B applied for the cancellation of a trade-mark "registered by the defendant A on the ground that he, "B, had used it for many years to distinguish goods "of the same class which he had been in the habit of "importing, and which were extensively known and used "in Japan, it has been decided that no such protection "against infringement of a trade-mark of this class "can be granted, nor can it be recognized in any way, "unless it has been actually registered in the Japan- "ese Patent Bureau, and in fact the continued use of "such a mark by B renders him liable to prosecution "for infringing A's registered trade-mark.
> " As there are many such trade-marks which were known "and used in Japan by foreigners before they were en- "titled to claim registration, these decisions are of "considerable importance and emphasize the necessity "of registering a foreign trade-mark <u>before</u> it becomes "known and valuable in Japan. "

Mr. Hall further sets forth that the decisions of the Japanese Patent Tribunal have been explicit that Article II, clause 5, could only refer to trade-marks registered here,-- although that class of marks was already fully covered by clause 4 of the same Article. Such has been the interpretation of the law. Redress under that section would seem to have proved thus far unobtainable.

The trade-mark G. and J. is perhaps debarred from registration under Article II, clause 6, as among those which mention "--- business names by common type of letters".

Any

Any registration may be annulled if within three years it be proved to have been illegal, and the only course which suggests itself to me would be for the G. and J. Company to authorize an agent in Japan to apply to the Patent Bureau for the cancellation of Rikichi Sumi's registration, taking the matter into the law courts if thought advisable. The Japanese Patent Bureau recognizes only the legally authorized agents of interested parties. This Legation cannot represent the G. and J. Tire Company of Indianapolis vis-à-vis that Bureau, and it is presumed that the Department does not desire the Legation to take up the matter until the G. and J. Company have exhausted the legal remedies which they have directly available.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd C. Griscom.

UNITED STATES LEGATION,
TOKYO.

DIPLOMATIC
NOV 11 1903
BUREAU.

No. 18.

October 19, 1903.

INDEX BUREAU
RECEIVED
NOV
9
1903
DEPARTMENT OF STATE

Acknowledged
to H. M. Scott
Chas. Lewis Clerk
Cont. Exps. Nov. 13

Copy to the Superintendent

Mr. Griscom to the Secretary of State.

Subject:

Japan's Exhibits at the Lewis and Clarke Exposition.

INDEX BUREAU
NOV 19 1903
FILED

UNITED STATES LEGATION,
TOKYO.

No. 18. October 19, 1903.

To the Honorable John Hay,
Secretary of State,
Washington, D.C.

Sir:

In compliance with the Department's instruction No.15 of the 11th ultimo I have unofficially brought to the attention of the Japanese Government the desire of the management of the Lewis and Clarke Centennial Exposition to be held at Portland, Oregon, in 1905, to secure the transference there of Japan's exhibits at St. Louis, at the same time assuring them that our Government would be glad should that course prove practicable.

During the last few months Colonel Dosch bearing a commission from the Governor of Oregon visited Tokio several times and as Commissioner for the Lewis and Clarke Exposition he was introduced to the Minister and Vice-Minister of Agriculture and Commerce, and also at the Foreign Office with a view to giving him, informally, every facility in his work.

I am assured that the desirability of Japan's being represented at Portland is fully realized and that the matter will be again considered by the Department concerned. It seems unlikely, however, that there will be any Government appropriation for the purpose; and I think the Management of the Exposition must depend upon any arrangements they may be able to make with private exhibiters at St. Louis.

I have the honor to be,
Sir,
Your obedient servant,

Leo[illegible] C. Gruscom

RECEIVED NOV 27 1903 DEPT. OF STATE

DIPLOMATIC NOV 24 1903 BUREAU.

UNITED STATES LEGATION,
TOKYO.

No. #

October 27, 1903.

rcbd. to Dr. F. allen Nov. 27

Mr. Lloyd C. Griscom to the Secretary of State.

Subject: The International Railway Congress,-- representation to the Japanese Government.

INDEX BUREAU DEC 1 1903 FILED

Enclosure with Mr. Griscom's despatch of October 27, 1903.

No. 7. July 25, 1903.

His Excellency

Baron Komura Jutaro,

His Imperial Japanese Majesty's

Minister for Foreign Affairs.

Monsieur le Ministre,

I have the honor to inform you that the International Congress of Railroads which last met at Paris in 1900 will hold its seventh session at Washington in 1903.

Although the duty of convening the Congress devolves upon the Belgian Government yet it is my duty to state to you that the Government of the United States is much interested in the success of the Congress and sincerely hopes that the Imperial Government will see fit to take part in the Congress in response to the invitation which has been issued by the Belgian Government.

I take advantage etc. etc. etc..

Signed: Lloyd C. Griscom.

UNITED STATES LEGATION,
TOKYO.

No. 19. October 29, 1903.

MAIL & FILE BUREAU
RECD.
NOV
21
1903
DEPT. OF STATE

Dec. 2-4 C.

Mr. Lloyd C. Griscom to the Secretary of State.

Subject:

Request for appropriation for repairs.

DIPLOMATIC BUREAU
NOV 29 1903
FILED

UNITED STATES LEGATION,
TOKYO.

DIPLOMATIC
DEC 16 1903
BUREAU

No. 19. October 29, 1903.

To the Honorable John Hay,
Secretary of State,
Washington.

Sir:

I beg to call the attention of the Department to the fact that, since coming to my post in Japan, I have found it necessary to make extensive repairs to the buildings and grounds of this Legation.

The nature and extent of the repairs undertaken are indicated by my statements of accounts already rendered covering the expenditure of the balance of the appropriation for Heating Apparatus and Vault (some $2000.--) and the appropriation of $2000.-- for repairs granted me by the Department.

With these two appropriations as a basis I have removed and rebuilt the old stables; built a respectable and substantial looking stone wall across the front of the property, together with a suitable entrance, to replace the former tumbledown fence and gateway; and have greatly improved the grounds by laying out paths and repairing the carriage drives and drains.

Inside the Legation building similar alterations and improvements have been made which, while on the one hand absolutely necessary for the preservation of the property and to render it habitable, will at the same time, I trust, make a less unfavorable impression upon our own and the nationals of other countries who come to the Legation.

I have thus far refrained from doing more than what I deemed absolutely essential in order that our Legation, which is here known to be the property of the Government, might present a respectable appearance. And yet the work already

already done upon the buildings and grounds has so far exceeded the amount of the appropriations above referred to that I have been compelled to advance money out of my own private funds to cover such expenses as repairs to the roof of the main building, additional plumbing, fences and extensive repairs to the roof, ceilings and floors of the Secretary's house.

I am therefore constrained to ask that I may be granted the sum of $2000.-- from this year's appropriation for the Maintenance of Legation Premises to help defray these necessary expenses, confident that the Department will recognize the justness of my request.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd Griscom.

DIPLOMATIC
NOV 25 1903
BUREAU.

UNITED STATES LEGATION,
TOKYO.

3rd. ASST. SECRETARY.
NOV 25 1903

No. 20. October 29, 1903.

U.S. BUREAU
RECEIVED
NOV
23
1903
DEPT. OF STATE

Rec'd. Nov 25

Mr. Lloyd C. Griscom to the Secretary of State.

Subject: Recommending change in status of Interpreter of Legation.

INDEX BUREAU
NOV 27 1903
FILED

UNITED STATES LEGATION,
TOKYO.

No. 20. October 29, 1903.

To the Honorable John Hay ,

Secretary of State,

Washington.

Sir:

Referring to Mr. Buck's despatch No. 605 of December 18, 1901, in relation to the salary and designation of Mr. Miller, the Interpreter of this Legation, I have the honor to renew the recommendation of Mr. Buck that the salary of the Interpreter be increased to $3000 a year, and that in the Diplomatic and Consular Appropriation Bill the term of designation be changed from Interpreter to Japanese Secretary.

All that is desired is that Mr. Miller be placed on the same footing in regard to salary as the Interpreter at Constantinople and the Chinese Secretary at Peking. The change of title from Interpreter to Japanese Secretary would make a material and well-merited improvement in the official and social status of Mr. Miller. In fact Mr. Miller brings to bear on his work in this Legation a knowledge and an experience deserving of a most generous treatment from our Government. His character and ability are such that it gives me pleasure to warmly recommend him to the Department for a deserved increase in salary and a more fitting designation.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd Griscom.

Legation of the United States, Tokyo.

DEPARTMENT OF STATE,
WASHINGTON.

RECEIVED
NOV 3 1903
BUR. ACCOUNTS DEP. OF STATE.

November 2, 1903.

Honorable John Hay,
Secretary of State,
Washington, D.C.

INDEX BUREAU
NOV 3 1903
FILED

Sir:-

I have the honor to inform you that I left my post at Tokyo, Japan, on leave to visit the United States, on September 26, 1903, and arrived in Washington, D.C. on November 2nd, 1903. My address is Ferguson Blg., Pittsburg. Penn.

I have the honor to be, Sir,
Your obedient servant,

John M. Ferguson

Second Secretary of Legation of the United States, Tokyo, Japan.

file

DIPLOMATIC
DEC 8 1903
BUREAU.

UNITED STATES LEGATION,
TOKYO.

DEPT OF STATE
DEC
8
1903
2ND ASST SECRETARY

DIPLOMATIC BUREAU

No. 21.

November 5, 1903.

INDEX BUREAU
REC'D
DEC
7
1903
DEPT OF STATE

Mr. Lloyd C. Griscom to the Secretary of State.

Subject: Felicitations on occasion of Emperor's Birthday.

INDEX BUREAU
DEC 10 1903
FILED

UNITED STATES LEGATION,
TOKYO.

No. 21. November 5, 1903.

To the Honorable John Hay,
Secretary of State,
Washington.

Sir:

I have the honor to confirm the Department's telegram of the 3rd instant, reading as follows:

"Usual felicitations Emperor's Birthday".

The telegram arrived just as I was on the point of starting for the Palace to attend a Breakfast given by the Emperor. I there had opportunity to present verbally to His Majesty, through the Grand Master of Ceremonies, the cordial congratulations of the President and was assured in return that the message gave the Emperor extreme satisfaction.

Later in the day I embodied the sense of the telegram in a formal note to the Minister for Foreign Affairs (copy herewith, enclosure No. 1) to which the Minister replied to-day (copy, enclosure No. 2).

On the evening of the third, at the dinner given by the Minister for Foreign Affairs in honor of the day, I again had occasion to refer verbally to the President's message to the Emperor which, I was reassured by the Minister, was highly appreciated.

I have the honor to be,
Sir,
Your obedient servant,

Lloyd Griscom.

Enclosure No. 1 with Mr. Griscom's No. 21 of Nov. 5, 1903.

Legation of the United States,
Tokio, Japan, November 3, 1903.

To His Excellency,
Baron Komura Jutaro,
His Imperial Japanese Majesty's
Minister for Foreign Affairs.

Monsieur le Ministre,

I have the honor to inform Your Excellency that I am to-day in receipt of a cablegram from the Honorable, the Secretary of State of the United States, directing me to present to His Imperial Majesty the sincere and cordial felicitations of the President upon the occasion of the Emperor's Birthday.

In discharging the pleasant duty of conveying to Your Excellency this message of the President to His Majesty the EmperorI take occasion to express my own congratulations upon this auspicious anniversary and to renew to Your Excellency the assurances of my highest consideration.

Signed: Lloyd C. Griscom

Enclosure No. 2 with Mr. Griscom's No. 21 of Nov. 5, 1903.

Translation Copy.

No. 36. Department of Foreign Affairs,
Tokio, November 5, 1903.

His Excellency
Lloyd C. Griscom,
Envoy Extraordinary and Minister Plenipotentiary
of the United States of America.

Monsieur le Ministre,

I have the honor to acknowledge the receipt of Your Excellency's note No. 25 dated the 3rd instant requesting me to convey to His Majesty the Emperor the sincere and cordial felicitations of His Excellency the President of the United States upon the occasion of the Emperor's Birthday.

I beg to state in reply that the message was at once conveyed to His Majesty, who was pleased to express high appreciation of the President's courtesy and to command me to return His thanks through the Japanese Minister at Washington, and that I have accordingly despatched a telegram to that effect directly to Mr. Takahira.

I avail myself of this occasion to renew to Your Excellency the assurances of my highest consideration.

Signed: Baron Komura Jutaro,
Minister for Foreign Affairs.

UNITED STATES LEGATION,
TOKYO.

DIPLOMATIC
DEC 8 1903
BUREAU

No. 22. November 6, 1903.

INDEX BUREAU
REC'D
DEC
7
1903
DEPT. OF STATE

See telegram to Japan, dated Feb 13, 1904. C.

Mr. Lloyd C. Griscom to the Secretary of State.

Subject:- "White Whiskey Case",-- confirming telegram of November 5, 1903.

INDEX BUREAU
DEC 28 1903
FILED

UNITED STATES LEGATION,
TOKYO.

No. 22. November 6, 1903.

Confidential.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to acknowledge the receipt of your telegram of the 5th (?) instant which, deciphered, reads as follows:

" Referring to your number eleven, Whiskey Case,
"if Japanese Government unwilling to promptly settle
"case on equitable basis United States would agree
"arbitration . If Minister for Foreign Affairs inti-
"mates decision of arbitrators might entail internal
"embarassment say that method of final settlement
"could doubtless be arranged in manner satisfactory
"to both Governments."

In several recent interviews I have been pressing the Minister for Foreign Affairs for an answer to my note of the 5th of July, last, in which I communicated the Department's instruction No. 447 of May 9th in regard to the White Whiskey Case. At one interview I intimated to the Minister that arbitration might be used as a means of arriving at a settlement of the dispute. He replied that there would be no need of arbitration if the Minister of Finance were convinced by the arguments of the United States Government. At my next interview he stated that the matter was one for the decision of the Japanese Government and not of a kind that might, in his opinion, be properly submitted to arbitration. He promised to look into the matter more thoroughly. His reception of the arbitration idea was such that I concluded that it was better to

resume

resume a firm pressure for a direct settlement of the case, and to leave dormant the matter of arbitration. It is possible that under such pressure the Japanese Government will itself suggest arbitration.

This being the situation upon the receipt of your telgraphic instruction yesterday I concluded that having carried out the instruction to suggest arbitration, it would be impolitic to renew the suggestion at the present moment. However the receipt of your telegram gave me an excellent basis for renewed representation. I went at once to the Minister and informed him that I had received a cable instruction to press for a prompt and equitable settlement of the case. I rehearsed the history of the case and pointed out that three years had elapsed and the matter was still in the argumentative stage. I added that these delays could not but be displeasing to my Government and that every additional day's delay increased this feeling.

The Minister replied that he would see his colleague the Minister of Finance and would urge upon him the expediting of the reply to the argument of the United States Government. He said that the latter argument contained misrepresentations of fact which his Government felt bound to correct, and that the State Department could not fairly judge of the case until in possession of the exact facts. He therefore felt that it was absolutely necessary to reply to our representations. In regard to delays he said that the preparation of their argument required time and great care, and that there was no intention or desire on the part of his Government to delay unnecessarily. He pointed out that the Government of the United States had taken nearly a year to reply to the last memorandum of the Minister of Finance. He ended by giving me his assurance that he would do everything in his power to expedite the reply now in course of preparation.

I

I feel that the interview advanced the case perceptibly. The Minister was certainly made to understand that our Government is in earnest in its intention of having the claim settled. The reply of the Minister of Finance will probably be received very shortly and in the meanwhile it is difficult to see how more can be done here. In regard to the last paragraph, as to a method of final settlement, the suggestion contained therein will be borne in mind and utilized if occasion arises.

I would respectfully suggest that the Department indicate to Mr. Takahira from time to time that it is determined to have this claim settled. If this be done the Legation's position will be much strengthened.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd C. Griscom

Claim of The American Trading Co.
vs. Japan.

From			To		
Japan	#475	Aug. 17. '00.	Japan	Tel.	Aug. 8.00.
"	#479	" 24. 00.	"	305	" 7.00.
"	#483	Sept. 6. 00.	"	Tel. Aug	Sept 28.00.
"	#486	" 12.00.	"	"	Sept. 12.00
"	#490	" 22.00.	"	316	" 17.00.
"	500	Oct. 16.00.	"	318	" 26.00
"	511	" 31.00.	"	321	" 28.00.
"	512	Nov. 2.00.	"	323	Oct. 6.00.
"	Tel.	" 20.00.	"	Tel.	" 22.00
"	517	" 25.00.	"	"	" 25.00.
"	521	" 26.00.	"	327	" 28.00
"	522	Dec 11.00.	"	Tel.	" 31.00.
"	529	" 29.00.	"	330	Nov. 2. 01
"	576	Aug 19. 01.	"	332	" 22.00
"	Tel.	Dec 31.01.	"	347	May 23. 01
			"	352	July 02. 01
					(memorial forwarded)
"	609	Jan 11. 02.	"	Tel.	Dec. 22. 01
"	612	" 11. 02.	"	397	Apl. 7. 02
"	614	" 17. 02	"	Tel.	June 11. 02
"	619	Feb. 8. 02	"	"	July 11. 02
"	641	May 15. 02			
"	653	June 10. 02.			
"	663	July 17. 02.	"	449	May 9. 03
"	Tel.	Aug 24. 02			

Mr Coughlin Rec'd

(Con.)

Claim of The Amer. Trad. Co.

(Cont.)

From			To		
Japan	679	Aug. 25.02.	Japan	Tel.	Nov. 4.02
"	680	" 29.02.			
"	11	" 6.03.			
"	22	Nov. 6.03.			

UNITED STATES LEGATION,
TOKYO.

SOLICITOR'S OFFICE DEC 3 1903 BUREAU

No. 23. November 11, 1903.

DEC 7 1903 DEPT. OF STATE

Dec. 16

Mr. Lloyd C. Griscom to the Secretary of State.

To Dept. of Justice Dec. 16 C File 5413.

Subject;- The extradition of Saburo Adachi, Japanese.

IN. DEL. BUREAU INFO. D 1903 FILED

UNITED STATES LEGATION,
TOKYO.

No. 21. November 11, 1903.

To the Honorable John Hay,
Secretary of State,
Washington.

Sir:

I have the honor to acknowledge the receipt of your telegraphic instruction of the 6th (?) instant, relating to the extradition of Saburo Adachi, which read as follows:

" Request arrest and provisional detention Saburo "Adachi, Japanese; left Honolulu steamer Siberia for "Yokohama October 29, due yesterday or to-day. Charge "perjury. Warrant issued. Formal papers follow. "Description:- height about five four; thin face; "sickly looking; moustache, but probably recently "shaved; deep sunken eyes; dressed in American "clothes at time of departure. Gone under assumed "name or stowaway. Can be identified by Masuda, steer- "age passenger on vessel."

Immediately on receipt of the telegram I sent to the Foreign Office to inquire informally whether, since Adachi is a Japanese subject and his surrender under the treaty discretionary, the Japanese Government would be disposed to deliver the fugitive.

I was informed by the Foreign Office that, while according to the treaty the surrender of nationals is discretionary, the Japanese Government is, as a matter of fact, further bound by the provisions of an Imperial Ordinance to require, as a condition precedent to such surrender, the assurance of the demanding treaty power of reciprocal treatment in similar cases.

The provisions of the above-mentioned Ordinance (No. 42 of 1887), putting into effect the treaty, read as follows: "Art.I.

"Art. I. .....

" The term 'extradition crime' means one of the crimes "or offences mentioned in an extradition treaty with "a treaty power. The term 'fugitive criminal' means "any person not a Japanese subject who is accused or "convicted of an extradition crime committed within "the jurisdiction of any treaty power, who has taken "or is suspected of having taken or being about to "take refuge within the jurisdiction of the Empire of "Japan.

" It shall also include Japanese subjects:

" 1. If the extradition treaty between the Empire "and the demanding treaty power provides for the mutu-"al surrender of their respective subjects or citizens.

" 2. If the extradition treaty makes the surrender "of subjects or citizens discretionary, and the de-"manding treaty power shall have signified its readi-"ness to reciprocally surrender its subjects or citi-"zens under similar circumstances.

"Art.II. Whenever the extradition of a fugitive "criminal is requested by a treaty power, and steps "are to be taken with a view to his surrender, the "provisions of the (these) regulations shall be com-"plied with".

I therefore despatched my telegram of the 7th reading:

" Your telegram of the sixth received. Japanese Gov-"ernment is prevented by Imperial Ordinance from grant-"ing such extradition unless the Government of the "United States signifies its readiness to reciprocally "surrender American citizens under similar circumstan-"ces".

On the 8th I received your reply:

" Replying your telegram concerning your extradition "of Adachi this Government will surrender American "citizens under similar circumstances in accordance "with provisions of treaty".

On the receipt of the above telegram I addressed a note to the Minister for Foreign Affairs (copy herewith) formally requesting the temporary arrest of Adachi pending the arrival of the extradition papers. Last night I was informed by the Foreign Office that the fugitive Adachi had been found on board the steamship "Siberia" which arrived

at

at Yokohama yesterday morning and had been provisionally arrested.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd Griscom.

Enclosure:

Mr. Griscom to Baron Komura, November 8,1903,-copy.

Enclosure with Mr. Griscom's Despatch No. 23 of Nov. 11, 1903.

No. 26.

Legation of the United States,
Tokio, Japan, November 8, 1903.

To His Excellency,
Baron Komura Jutaro,
etc. etc. etc.

Monsieur le Ministre,

I have the honor to inform Your Excellency that I am in receipt of a telegraphic request from the Honorable, the Secretary of State of the United States, that efforts be made to apprehend Saburo Adachi, a Japanese subject, who is charged with perjury and for whose arrest a warrant has already been issued by the proper authorities.

Under the Extradition Treaty between the United States and Japan I have the honor to request that Your Excellency be so good as to cause instructions to be issued to the proper officers of the Imperial Government to procure, if possible, the provisional arrest of the said Adachi pending the arrival of the formal extradition papers, which, I am assured, will follow in due course. I am further instructed by the Secretary of State to say that, in view of the fact that the said Adachi is a Japanese subject, my Government will surrender American citizens under similar circumstances, in accordance with the provisions of the Treaty.

For Your Excellency's further information I have the honor to enclose herewith as complete a description of the appearance and reported movements of Adachi as the Legation

at

at present possesses.

I avail myself etc. etc. etc.

Signed: Lloyd C. Griscom.

ENCLOSURE:--Description of Saburo Adachi.

UNITED STATES LEGATION,
TOKYO.

DIPLOMATIC
DEC 16 1903
BUREAU.

No. 24. November 14, 1903.

INDEX BUREAU
REC'D.
DEC
15
1903
DEPT. OF STATE

CHIEF CLERK,
DEC 15 1903
Department of State.

Mr. Lloyd C. Griscom to the Secretary of State.

Tokio Dec. 24
Ans. Dec. 26

Subject:

The Insurance Question; details of agreement between the Japanese Government and the New York Life.

INDEX BUREAU
DEC 29 1903
FILED

UNITED STATES LEGATION,
TOKYO.

No. 24 November 14, 1903.

To the Honorable John Hay,
Secretary of State,
Washington.

Sir:

Referring to the Legation's No. 14 of September 30 in relation to a new ordinance requiring deposits from Foreign Insurance Companies operating in Japan, I have now the honor to report that the New York Life Insurance Comapny has entered into a private agreement with the Japanese Government in regard to such deposits.

The representative of the Company permitted me to read through the agreement and the principal points contained therein are as follows: :

The New York Life Insurance Company agrees to conform to the new law by depositing with the Japanese Government Yen 100,000, and, if its legal reserves exceed that amount, a further sum of 10% of the premiums paid.

The deposit will be made either (1) in cash or (2) in bonds of the following categories:

(a) Japanese Government Bonds.

(b) United States and British Government Bonds and Municipal or State Bonds.

It is agreed that if the amount deposited be between Yen 100,000 and Yen 500,000 and be made in bonds it shall be composed of 60% of class "a" and 40% of class "b"; between Yen 500,000 and Yen 1,000,000 it shall be composed of 40% of class "a" and 60% of class "b"; amounts of Yen 1,000,000 and over shall be composed of 25% of class "a" and 75% of class "b".

If cash is deposited the rate of interest shall be 3.6% (three and six tenths per cent.) The receipts issued by the Japanese Government will be in the nature of certificates

ficates and these certificates will specify the dates of payment of interest.

Finally it is provided that in the event of the Japanese Government entering into agreement with other companies the New York Life Insurance Company will have the benefit of the most favored treatment.

I need hardly point out to the Department that this action on the part of the New York Life Insurance Company is in singular contrast with the demands of the two other American companies, the "Mutual" and the "Equitable", for diplomatic intervention on treaty grounds. The attitude of these latter companies is further set forth in a joint letter which I have recently received from their agents in Japan. I enclose a copy for your information. It will be noticed that I am requested to inform the Japanese Government that these companies "may not regard as unreasonable "a deposit intended to secure policyholders in Japan; but "if that deposit is subject to annual increase entailing "the investment in certain japanese securities of the re- "serves required by law to be held for the security of pol- "icyholders, the condition will, under existing circumstan- "ces, preclude the continuance of business in Japan".

In compliance with the above request, on the 5th instant I verbally informed the Minister for Foreign Affairs of the contents of their letter.

The situation in brief seems to be that two American companies have notified the Japanese Government that they cannot continue to do business under the new conditions as at present understood, whereas the third American company has accepted the law and entered into a private agreement to that effect.

In the Legation's above-mentioned report as to this

question

question it was pointed out that the new law left obscure certain important points in regard to its practical operation and that the Government officials showed a disinclination to explain what bonds would be acceptable for deposit, what interest, if any, would be paid on cash deposits and similar important questions requiring elucidation. It would now seem that the Imperial Government is adopting the somewhat unusual method of determining such matters by private contracts with individual Life Insurance Companies.

I have the honor to be,

Sir,

Your obedient servant,

Clyde Duncan.

Enclosure:

Messrs. Betts and Hamilton to Mr. Griscom, October 27, 1903,--copy.

Enclosure with Mr. Griscom's No. 24 of Nov. 14, 1903.

Copy.

Yokohama, 27th October, 1903.

Sir,

We desire to lay before you a concise view of the situation at the present time in connection with the Government order, No. 146, dated June 26th, 1903, wherein life assurance Companies are required to comply with the following regulations:

1. A deposit of yen 100,000 on or before October 31st, 1903. If the reserve for assurances contracted in Japan exceeds yen 100,000, a further amount equivalent to the reserve is to be deposited.
2. If the reserve at the end of each fiscal year exceeds the amount of the deposit made, the deposit is to be increased to the amount of the reserve.

The limit of time within which the deposit of yen 100,000 is to be made has been extended to the 31st January 1904; but the order in all other respects remains unchanged.

During the interval since the issue of the order, the Head Offices of our respecyive Companies have been communicated with; and the terms of the order of the Japanese Government have been carefully considered by the Directors.

It may be well to premise, in the first instance, that there is no desire or intention on the part of the Companies concerned to evade compliance with the regulations imposed in Japan in connection with life assurance contracts

To His Excellency,

Lloyd C. Griscom,

Envoy Extraordinary and Minister Plenipotentiary

for the United Staes of America,

Tokyo.

tracts made by foreign companies; but it is conceivable that the Government may impose conditions which may restrict, or in the last resort, prevent foreign life offices continuing their business within the limits of the Empire of Japan; consequently the matter should be treated from a business standpoint, that is, with due regard for the proper interests of the parties concerned.

The standing of life assurance companies depends primarily and mainly upon the sound investment of their funds. In the case of mutual companies all investments are made by the directors on behalf of the policyholders as a body; and the directors' discretion is limited by certain well-understood principles of finance. So carefully is this duty carried into effect that the securities in which life assurance companies invest are invariably regarded as of the very best and highest class; the chief object being security, and secondarily, interest commensurate with the class of security.

The opinion of the directors of our respective Companies as to the effect of the order recently issued in Japan is, that if it were limited to a deposit for the purpose of securing policyholders resident in Japan, compliance would be possible; but if the investment of reserves in Japan is insisted upon, continuance of business will be no longer prudent or desirable.

The securities indicated by the Government as alone acceptable for deposits by life assurance companies, are, equally with the bonds of all governments, subject to great fluctuations in value. Recent events caused considerable decline in the value of British Consols; and it is not unreasonable or improper to assume that any difficulties in which Japan may be involved with other nations may lead to a rapid and severe decline in the value of all national

obligations

obligations. This single fact alone precludes investments in Japanese bonds beyond a limited defined amount; for the first principle in life assurance is the absolute security of the assured. Every policy that is maintained in force must become a claim, and the face value must be paid at the due date. Companies, therefore, that guarantee these payments to their policyholders guarantee, to the full extent of their resources, that they earn in some instances 3% and in others 3-1/2% upon premium reserves; and the laws of the United States compel them to do so, or their charters are forfeited; consequently the securities in which those resources are invested must not assume an inconvertible form . It is true that every form of investment is liable to depreciation, but the financial advisers of life assurance companies exercise extreme vigilance in watching their investments, and protecting themselves when there are indications of an approaching fall in market value; hence the impossibility of investments that are not actually and directly under the immediate control of the finance committees of the large companies, and which the Companies cannot dispose of as ordinary prudence might suggest.

We feel justified in saying that the Companies we represent may not regard as unreasonable a deposit intended to secure policyholders in Japan; but if that deposit is subject to annual increase entailing the investment in certain Japanese securities of the reserves required by law to be held for the security of policyholders, the condition will under existing circumstances, preclude the continuance of business in Japan.

In making this exposition of the views of our Companies to you we solicit your valued assistance in conveying them

them, with great respect, to the Japanese Government with the express object of adjusting matters upon a basis conducive to the proper conduct of our business throughout the Empire.

We have the honor to be

Your Excellency's obedient servants,

The Mutual Life Ins. Co. of New York

Signed Basil H. Betts,

Special representative.

The Equitable Life Assurance Society of the United States

Signed W. Hamilton,

General Manager for the East.

DEPT OF STATE
DEC
15
1903
2ND ASST SECRETARY

DIPLOMATIC BUREAU
To Secy of the Navy.
Ack & file.

UNITED STATES LEGATION,
TOKYO.

No. 25.

November 21, 1903.

DIPLOMATIC
DEC 15 1903
BUREAU.

INDEX BUREAU
REC'D.
DEC
15
1903
DEPT. OF STATE

CHIEF CLERK,
DEC 15 1903
Department of State.

To Navy Dept Dec. 23

Mr. Griscom

to the Secretary of State.

Acked Dec. 24

INDEX BUREAU
DEC 29 1903
FILED

Subject:

Naval Hospital at Yokohama; additional land desired.

UNITED STATES LEGATION,
TOKYO.

No. 25. November 21, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

Upon the receipt of the Department's instruction No.5 of July 1, I at once began investigations with a view to the desired acquisition by our Government of the "Captain "Carst Lot," to be added to the premises of the United States Naval Hospital, which it adjoins, and I now have the honor to report the results.

In reply to my inquiry, a copy of which is enclosed, the Minister for Foreign Affairs has informed me in a letter of the 16th instant(copy herewith) that the lot is held by lease in perpetuity by R. Lindan, a German subject, and that, should the lease be transferred to the United States Government by him, the Imperial Japanese Government would have no objection to the employment of the land to increase the facilities of the Naval Hospital. The Minister for Foreign Affairs adds that such transfer would be of the same value as a transfer between private individuals, and would produce no privileges or immunities other that those attached to such leases generally.

Mr. Lindan, who holds the property, is absent from Japan, but his agents, Messrs. Ahrens & Co., state that Bluff Lot No. 98 can be purchased for Yen 6,000., that the lot is said to measure 440 tsubos (one tsubo equals thirty-six square feet), and that the annual ground rent payable to the Japanese Government is at the rate of "$12.$\frac{88}{100}$ Mexican" for 100 tsubos.

It

It seems, therefore, that no obstacle exists to the acquisition by the United States Government of the plot of land in question.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd C. Griscom.

Enclosures:

1. Mr. Griscom to Baron Komura, September 18.
2. Baron Komura to Mr. Griscom, November 16,--copies.

Enclosure No. 1 with Mr. Griscom's No. 25, November 21, 1903.

(Copy)

No. 18. LEGATION OF THE UNITED STATES,

Tokio, September 18, 1903.

To his Excellency

Baron Jutaro Komura,

His Imperial Japanese Majesty's

Minister for Foreign Affairs.

Monsieur le Ministre,

I have the honor to inform Your Excellency that the United States Government is desirous of acquiring a certain plot of land in Yokohama contiguous to the United States Naval Hospital grounds, and known as the "Captain Carst "Lot", with a view to the enlargement of the hospital facilities of that station.

I would ask that Your Excellency be so good as to state to me what views the Imperial Government entertains in regard to such an acquisition on the part of the Government of the United States.

I avail myself of the opportunity to renew to Your Excellency the assurances of my highest consideration.

Signed: Lloyd C. Griscom.

Enclosure No. 2 with Mr. Griscom's No. 25 of Nov. 21, 1903.

Translation Copy.

No. 39. Department of Foreign Affairs,
Tokio, November 16, 1903.

His Excellency
Lloyd C. Griscom,
etc. etc. etc..

Monsieur le Ministre,

I have the honor to acknowledge the receipt of Your Excellency's note No. 18 dated the 19th September last informing me that the United States Government are desiring to acquire a certain plot of land in Yokohama, contiguous to the United States Naval Hospital grounds, and known as "The Captain Carst Lot" with a view to the enlargement of the accommodation of that hospital, and asking what views the Imperial Government entertain in regard to such acquisition on the part of the United States Government.

I now beg to state that the plot in question is held by R. Lindau, German subject, by a lease in perpetuity, and therefore should the lease be transferred to the United States Government by direct arrangements with the said German subject, the Imperial Government would have no objection to the plot being employed for increasing the facilities of the Naval Hospital.

It is, however, to be added that such transfer will be of the same value as transfer of property between private individuals, and hence it will not produce any privileges or immunities other than those attached to such leases in general.

I avail etc etc. etc.

Signed: Baron Komura Jutaro,
Minister for Foreign Affairs.

UNITED STATES LEGATION,
TOKYO.

No. 26. November 24, 1903.

BUREAU

INDEX BUREAU REC'D DEC 15 1903 DEPT. OF STATE

ASSISTANT SECRETARY, DEC 26 1903

CHIEF CLERK, DEC 15 1903 Department of State.

Mr. Griscom

to the Secretary of State.

Subject:

Emigration companies.

INDEX BUREAU IM 8 1 4 FILED

UNITED STATES LEGATION,
TOKYO.

No. 26. November 24, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to refer to the Department's instruction No. 10 of July 24, last, whereby I am directed to investigate a report made to the Secretary of Commerce and Labor to the effect that an immigration company believed to be under the control of the Japanese Government has adopted means of defeating the purpose of the United States immigration laws by instructing intending emigrants as to the statements to be made upon their arrival.

In compliance with the above instruction I at once addressed a letter of inquiry to the Consul-General at Yokohama and requested him to investigate the matter and at the same time to obtain reports thereon from our consuls at Kobe and Nagasaki. The result of the several investigations is embodied in a report of the Consul-General, a copy of which I send herewith enclosed. It will be observed that the consul at Nagasaki reports that he is unable to learn that measures have been adopted by any company or person to defeat or evade our immigration laws. The consul at Kobe made some considerable investigations but discovered nothing in confirmation of the alleged instruction of emigrants. The Consul-General at Yokohama addressed a list of ten questions to some 28 different emigration companies, but it appears that all these companies are united into a central association, which is known as the Emigration Companies' Association of Japan. The President of the Central Association, Mr. Terutake Hinata, took it upon himself to make one answer to the Consul-General's questions

in

in behalf of all the companies addressed. He denies categorically that emigrants shipped by his association to the United States go either under contract or instructed as to the replies to be made to the inquiries of the United States immigration officials. Moreover he expresses the "desire "that whenever emigrants hereafter sail for Hawaii and any "agent or agents of ours give such emigrants the usual good "advice as to their bearing thereafter, a U. S. Consular "Representative shall be on the spot, together with a sten- "ographer, who shall take down, verbatim, whatever the "agent or agents may say."

The report of the Consul-General contains all the information in the matter at present obtainable. In fact it will be realized that the subject is one offering considerable difficulties in the way of investigation. It is my belief that the method so readily suggested by Mr. Hinata, namely to have a special agent watch all emigrants for some days prior to their departure, is the only one likely to produce evidence proving or disproving the allegations made to the Secretary of Commerce and Labor.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd Griscom.

Enclosure:

Mr. Scidmore to Mr. Griscom, November 19, with 9 enclosures.

Enclosure with Mr. Griscom's No. 26, November 24, 1903.

Copy.

United States Consulate General,

No. 1703. Yokohama, Japan, November 19, 1903.

His Excellency

Lloyd C. Griscom,

etc. etc. etc.,

Tokio.

Sir:-

By direction of Consul-General Bellows, who is temporarily absent from this post, and agreeably to your instruction of August 27th, 1903, I have the honor to transmit herewith copies of correspondence relating to emigration of laborers and others from Japan to the United States.

I have etc.

Signed: Geo. H. Scidmore,

Deputy Consul-General.

Enclosures:-

1 - From Consul at Nagasaki, September 11, 1903.

2 - From Consul at Kobe, October 15, 1903.

3 - Consul-General to Kissa Emigration Company, October 22, 1903.

4 - List of Emigration Companies to whom letters identical with foregoing were addressed.

5 - From Nippon Yoshi Sa Imin Gomei Kaisha, October 31, 1903.

6 - From Mr. Hinata, President of Emigration Companies' Association, October 27, 1903.

7 - From Mr. Hinata, October 30, 1903.

8 - Consul-General to Mr. Hinata, November 9, 1903.

9 - From Mr. Hinata, November 14, 1903.

(Copy.)

No. 3872.

Consulate of the United States of America,
Nagasaki, Japan, September 11, 1903.

E. C. Bellows, Esquire,
Consul-General of the United States of America,
Yokohama, Japan.

Sir:-

Referring to my despatch numbered 3867 of the 2nd instant, acknowledging the receipt of instruction numbered 1559 of the 31st ultimo from your Consulate General, directing that I make investigation and report to your office relative to emigration companies in this Consular district having adopted measures to defeat the immigration laws of the United States, I now have to report that I am unable to learn that measure have been adopted by any company or persons to defeat or evade our immigration laws.

For your further information I have to state that there is but one emigration company in this Consular district; it being located at Kumamoto; and I am informed that the emigrants forwarded by it are embarked at Kobe or Yokohama.

I am, etc.

Signed: Charles B. Harris,
Consul.

(Copy.)

No. 2898.

Consular Service, U. S. A.

Consulate of the United States,

Kobe, Japan, October 15th, 1903.

E. C. Bellows, Esquire,

etc. etc. etc.

Sir:-

I have to acknowledge the receipt of your communication dated August 31st last in which I am requested to make a report on Japanese Emigration for the use of the United States Minister at Tokyo, and in aid of the better execution of the United States laws bearing on that subject.

The following named Japanese Emigration Companies are located at this port, all doing business with our Pacific Coasts:

Nippon Imin Goshi Kaisha; 138 Motomachi Itchome, Kobe.

Kobe Toko Goshi Kaisha, Motomachi Rokuchome, Kobe.

Nankai Imin Goshi Kaisha; Kitanakadori Itchome, Kobe

Morioka Imin Goshi Kaisha; 9 Sakayemachi Rokuchome, Kobe.

Kosei Imin Kabushiki Kaisha; Sakayemachi Sanchome, Kobe.

Thinking the Water-police might form a good starting point for my investigations, I sent for one of their representatives, and in answer to my questions he verbally informed me that the Emigration Companies pay for the emigrants' steamer passage to the Pacific Coast, and in the case of those coming in from the country the cost of travel to Kobe is also paid by the companies. I asked him how the emigration companies were afterward reimbursed, and in reply he stated that the emigrant was given time to pay his indebtedness to the company, and that sometimes it takes from one to two years for the emigrant to clear himself.

I

I then addressed a letter of inquiry to the Superintendent of the Water-Police, copy of which is as follows:

"Kobe, Japan, October 13, 1903.

"To the Superintendent,

"Water Police, Kobe.

"Sir:-

"I beg to thank you for the call of your representa-"tive this morning re the subject of Emigration. He has "informed me you will kindly reply to any official inqui-"ries I may make and I therefore beg to state them as fol-"lows, viz:

"1. What emigration companies in Kobe are sending Japan-"ese emigrants to the United States ?

"2. What terms do the companies make with the emigrant "regarding the cost of travel to Kobe and his ocean "passage, and may I have a copy of the contract with "the emigrant ?

"3. Does the company provide the necessary amount of "money which he must have in his possession, in order "to allow him to land in the United States ?

"I am, Sir,

"Your obedient servant,

Signed: "Samuel S. Lyon,

"Consul."

After the Superintendent had received my communication, he returned his representative to me to ask that he be excused from placing himself on record, and before leaving, the representative claimed that the information he had given me the day before related to Peru and not to the United States, although Peru was not mentioned in our interview.

I am inclined to think he spoke the truth in the first instance

instance.

Upon certain days when Doctor Fowler, our medical officer, has been examining emigrants, I have procured the services of a competent and reliable person who has asked many of them concerning their purpose in going to the United States, and in no case has any admitted he was going to the United States under contract. Many of them replied they were going to join relatives, others claimed they were barbers, cooks, etc., and had jobs awaiting them at Seattle, Tacoma, Los Angeles, Portland and San Fransisco. Some claimed to be going for the purpose of study. One person, a photographer, said he had been sent for and expected to go to work on arrival, as a tailor. But as stated, most of them said they had been sent for by their relatives.

I shall be glad to follow up any other line of inquiry that may be suggested, but trust that this I am sending may somewhat assist in corroborating the suspicions of the Government.

I have etc.

Signed: Samuel S. Lyon,
Consul.

(Copy.)

Consulate-General of the United States
of America, Yokohama, Japan.

No. 1627. October 22, 1903.

K. Sakuma, Esquire,
Kissa Emigration Company,
Tokio.

Sir:-

Will you as president of the Kissa Emigration Company, kindly furnish this office, at your earliest convenience, with complete answers to the appended list of questions, relating to the shipment of emigrants to the United States or Hawaii ?

Thanking you in advance for the courtesy,

I am, etc.

Signed: R. C. Bellows,
U. S. Consul-General.

Questions.

1. State the terms under which your company sends emigrants to the United States or Hawaii.

2. What amount of money does your company advance to emigrants ?

3. What arrangements are made for the return of such advances ?

4. Will you furnish this office a copy of the contract entered into between your company and emigrants to Hawaii or the United States ?

5. What arrangements has your company with the planters or other emplyers of emigrants in Hawaii or the United States ?

6. Do any of the emigrants make deposits of money to the credit of your company in any bank in Hawaii; if so, what bank ?

7. What other arrangements does your company make for the refund of advances made to the emigrants going to Hawaii or the United States ?

8. What instructions are given to emigrants by officers, agents, or employers of your company before leaving Japan for Hawaii or the United States ?

9. Does your company encourage emigration to the United States or Hawaii through its officers, agents, or employers ?

10. In case your emigrants are reduced to want through sickness, disease or otherwise, does your company afford any relief ?

(Copy.)

List of the Emigration Companies in Japan.

(October, 1903)

Name.	Capital	Director or President.
Kissa Emig. Co.	100,000.	K. Sakuma.
Kobe Emig. Co.	30,000.	T. Yoshikawa.
Tokio Emig. Co.	100,000.	C. Saito.
Jap. Emig. Co. of Hiroshima.	60,000.	I. Sato.
M. Morioka Co.	250,000.	M. Morioka.
Kiushu Emig. Co.	50,000.	S. Naito.
Kumamoto Emig. Co.	60,000.	Y. Oyama.
Teikoku Coloniz. Co.	30,000.	T. Takenouchi.
Hiroshima Emig. Co.	50,000.	K. Taniguchi.
Chiugoku Emig. Co.	51,000.	G. Fujii.
K. Murayama Co.	50,000.	K. Murayama.
D. Ono Co.	20,000	D. Ono.
Nankai Emig. Co.	100,000.	S. Takemura.
T. Morishima Co.	50,000.	T. Morishima.
K. Takagi Co.	50,000.	K. Takagi.
Bochio Emig. Co.	50,000.	M. Saiki.
Toyo Emig. Co.	100,000.	J. Nakayama.
Sanyo Emig. Co.	60,000.	S. Asoo.
Sanmaru Co.	50,000.	S. Figioka.
T. Kanao Co.	80,000.	T. Kanao.
M. Omi Co.	100,000.	M. Omi.
Sendai Emig. Co.	50,000.	K. Yanbe.
Tosa Emig. Co.	50,000.	K. Terada.
K. Mitsunaga Co.	50,000.	K. Mitsunaga.
Kansai Emig. Co.	52,000.	M. Nagawa.
Nippon Coloniz. Co.	100,000.	N. Taki and N. Hiranuma

Suo Emig. Co.	60,000.	S. Kawamura.
Transoceanic Emig. Co.	1,000,000.	T. Hinata(Huga)

(Copy.)

Nippon Yoshi-Sa Imin Gomei Kaisha,
10, Shinsakanacho, Kyobashiku,
Tokyo.

Tokyo, 31st October, 1903.

Hon. E. C. Bellows,
U. S. Consul-General,
Yokohama.

Sir:

We have the honor to acknowledge receipt of your esteemed favour of the 22nd inst.

In reply to your various enquiries, we beg to state that as we are not directly connected with matters for the U. S. or Hawaii, we are unable to answer your questions.

We reamin,

Your most obedient servants,
for Nippon Yoshi-Sa Imin Gomei Kaisha,
Kozabro Sakuma.

(Copy.)

Tokyo, Oct. 27th, 1903.

E. Bellows, Esq.,

etc. etc. etc.

Dear Sir:-

It may not have been brought to your notice hitherto that there is a Central Association of the 30 Emigration Companies in Japan, with Headquaters in Tokyo, and to this Central Association the various companies have referred, requesting it to reply in their name. So since the receipt of this request, I have been in communication with the 30 Companies represented, and shall, in a day or two, be able to send you our reply which shall embody the Association's answers to your queries as a whole. For, you will understand, the methods employed by each and every Emigration Company are identical, or very nearly so.

In the meantime craving your pardon for this unavoidable delay, I beg to remain,

Very obediently yours,

Terutake Hinata

President

Emigration Companies' Association

of Japan.

No. 1 Shinsakanacho,

Kiobashiku, Tokio.

(Copy)

Central Office,
The Emigration Companies' Association of
Japan.
Tokyo, Oct. 30th 1903.

Consul-General E. Bellows, Esq.,
etc. etc. etc.

Dear Sir;-

In the name of the twenty eight Emigration Companies of Japan, the names and localities of which are doubtlessly known to your goodself, we beg to submit the following replies to the queries put in your esteemed favor of the 22nd inst:-

1. According to the Governmental Regulations now in force, no laborers can, under any circumstances, be forwarded to the United States proper. Those who take steerage passage to any part in the United States go as merchants, students, etc., but neither as emigrants or laborers. It is only to Hawaiian Territory, in so far as the United States is concerned, that labor-emigrants are permitted to go. Not so long ago our authorities permitted the despatch of a maximum of 150 (one hundred and fifty) laborers by each steamer leaving for Hawaii. At present this number has been reduced to 110 (one hundred and ten) per steamer. This by no means denotes that each Hawaii-bound steamer actually carries the maximum number; sometimes it falls to ninety, eighty, or even less. And it should be noted that only mail steamers are permitted to carry such laborers, i. e. only such as, under the provisions of both Japanese and United States law, are allowed to carry mails to and thus touch at, Honolulu.

But

But this is not all. There is an "Emigration Protection Law" now enforced by the authorities, by which no emigrant, i.e. laborer, may proceed abroad without the intermediation of a third responsible party. And this is the function which the 28 Emigration Companies fulfil.

2. The 28 Companies neither make cash-advances nor give credit to emigrants under any circumstances.

3. So, therefore, there is no necessity for making any stipulations or arrangements for the return of what does not exist.

4. We should be glad to furnish you with a copy of the contract but for the fact no contract is entered into between the emigrants and ourselves. It is necessary that it should be clearly understood that the Japanese Government does not permit the forwarding of actual contract-laborers to such countries as prohibit the introduction of such laborers; the laborers going to Hawaii are therefore not contract-laborers in any sense of the term, as they do not, before leaving Japan, enter into any contract, either with ourselves or their possible employers in Hawaii as to the terms of service, rate of wages, or anything of like nature. All that has to be done is to produce, for the Companies' inspection and satisfaction, the laborer's certificate of registration and whatever other documents are necessary to show his birthplace, age, whether married or single, and to satisfy the authorities that the laborer is not leaving Japan on any contract-basis whatsoever.

5. No arrangements whatever are made between the Emigration Companies of Japan and the Planters or other employers of emigrants in Hawaii.

6. The emigrants do not make any deposits to the credit of the Company in any Bank in Hawaii whatsoever.

7. As we personally do not make advances to the emigrants

emigrants, it is not necessary for us to make or give any "other" arrangement for a return of such non-existing advances. See the reply to Query (2). In order to pay the expenses of the voyage to Hawaii the emigrants frequently borrow of their friends or relatives in Japan and occasionally from a Bank, and sometimes from the Keihin Bank. But this is not the rule, is not an affair of the Company, and therefore the Company has no need to see that such ordinary bank transactions when made by a third party, are sure to be refunded.

8. The instruction given by our agents to emigrants going to Hawaii--for we have nothing whatever to do with emigration to the U. S. proper--are of a general character; such as to be frugal, industrious and in all points worthy citizens; to obey the laws of the U. S.:--in short to act and live morally sober and clean lives.

9. No, it does not.

10. There being many employment-agencies for Japanese in Hawaiian Territory, not to speak of Benevolent Societies, it is comparatively easy for an impoverished or sick Japanese to find assistance. He might also appeal to the local Consular Representative. At all events, our experience hitherto has been that there is nothing to be apprehended in this direction. As for the Company, we always contribute to benevolent funds, etc., but our personal responsibility in the matter is nil, except where the Consular Representative gives any aid to such a laborer, providing that our authorities insist upon the refunding of such advance. An instance of this kind has still to occur.

Hoping that you will find the above replies satisfactory, and assuring you of our readiness at all times, to furnish you with whatever further information you may re-

quire

quire,

We have etc.

Terutake Hinata,

President,

The Emigration Companies' Association of

Japan.

(Copy.)

Consulate-General of the United States
of America, Yokohama, Japan,

No. 1682. November 9, 1903.

T. Hinata, Esq.,
President etc.

Sir:-

I have to acknowledge the receipt of your letter, dated October 30th, 1903, in which you, in the name of the twenty-eight Emigration Companies of Japan, kindly submit answers to my list of inquiries regarding the operations of said Companies as relates to emigrants destined to Hawaii or the United States.

I may add for your information, that many of the answers received from you are in direct opposition to the affidavits, sworn to by many emigrants themselves, before United States officials in Hawaii, copies of which affidavits are now a part of the official records of this Consulate-General. To indicate the nature of the questions and answers, I herewith append the following taken from the sworn affidavit of one of the emigrants referred to:-

Question: "When you were asked the question ""Have you any relative here ?"" you denied it. Why did you do it ?

Answer: I did it because in Yokohama, Japan, at Masagocho Rokuchome, is a place called Wadahiko Shiten, meaning branch of Wadahiko hotel. The day prior to sailing of the ship, all immigrants to go on steamer, assembled there to have their eyes examined by a Japanese doctor. Those who have ""Trachoma"" have a circle put opposite their names, suspects have a square put after their names and those who are all right, are

given

given a certificate to that effect. All those who are passed remain there and listen to lectures, the first one given by a youhg Japanese man and giving advice to those going to Hawaii as to their future conduct. The other lecturer, a Japanese man about 50 years of age says ""The first place you go on arrival at Honolulu is a place called Quarantine Station, where you are first inspected by Quarantine officials. After that you are examined by the immigration officers as to your right to land and the only reason for any body being deported is a contagious disease and if you have brains enough to remember what I say, you will not be deported. They first will ask you for your passport, and you should answer according to your passport. Then you will be asked, ""What is your object in coming here"" Say you are coming to work at farming, coming on your own hook, was not sent for, have no relative whatever, and even if you have a brother or father there, do not admit it. They will then ask you where you are going, say: have no fixed destination. They will then ask, you must have had some object in coming, you reply: I was a farmer in Japan and want farm work here, will accept work wherever I can get it. They will then ask you how much money you have. You will say, Had anywhere from 200 to 210 yen on leaving Japan. They will ask you how that money was used. You will say 100 yen was used for deposit money, 60 yen for fare, 20 yen for procuring passport, and what you have left will be the amount to show them. If you have any contract, you must under no circumstances admit it, you must say you have no contract, but coming to seek labor.""

At the time of the lecture, those who are going independently

independently are asked to raise their hands, and those who are going under contract are asked to raise their hands. They are then impressed with the fact that if they are going under contract they must not admit it, but say you are coming independently, because all under contract will be deported. These instructions are not only given once, but are impressed on every immigrant and we are told not to say anything about the lecture.

Question: Do you know who this man is who made the second address ?

Answer: I do not know who he is, but understand he came from Tokio.

Question: Was he in uniform ?

Answer: He was in American clothes and I was informed that he is an employee of the Consolidated Immigration Companies of Japan.

Question: By reason of this lecture you have just told me about, do you think it would be possible for the official here to properly enforce the provisions of the United States Immigration Laws, and get satisfactory answers out of the immigrants coming from Japan ?

Answer: I think it interferes greatly with the enforcement of the United States Immigration Laws, and I also think it at times works a hardship on persons entitled to a landing and who testify to having no relatives here, when really they have.

Question: Is every ship load of immigrants coming to Hawaii given the same lecture ?

Answer: Yes. Every immigrant who takes out a passport to come to Hawaii as a farmer."

I am, etc.

E. C. Bellows,

U. S. Consul-General.

(Copy.)

Tokyo, Nov. 14th ,1903.

Consul-Genral E. Bellows, Esq.,

etc. etc. etc.

Dear Sir:-

With regard to the letter received from you under date of 9th inst. we have the following to submit for your consideration, albeit your favor of that date is not such a one as to necessitate a reply.

1. We beg to reiterate and emphasize every word of the letter forwarded you in reply to the first series of queries received. Nothing was therein contained but what-was-and is-consistent with fact, plain and amply probable.

2. With regard to the quotations made from certain depositions purporting to come from emigrants in Hawaii, we beg to state, and most emphatically, that the Associated Companies have never, in any instance whatever, authorized any one to give such advice to emigrants as that alleged to have come from a "gentleman from Tokyo, about fifty years of age." If any one ever did address such absurd remarks to outward-bound emigrants, he did so on his own responsibility and wholly without authorization on the part of the Central Association: the whole alleged "talk to emigrants" is as ridiculous as it is unnecessary, for we do not send contract-laborers to Hawaiian Territory. We do not, in fact, see the slightest necessity for such a step, and the question, as such, has never so much as been broached. And in connection with this, in order to assure you of the open, clear and unmistakable position we have taken, still do, and ever shall, take, in this matter, we desire that whenever emigrants hereafter sail for Hawaii

and

and any agent or agents of ours give such emigrants the usual good advice as to their bearing thereafter, a U. S. Consular Representative shall be on the spot, together with a stenographer, who shall take down, verbatim, whatever the agent or agents may say. By doing this all possibility of misunderstanding can easily be avoided.

3. We venture moreover to doubt the correctness of the interpretation of the deposing emigrant or emigrants. The majority of Hawaii-bound emigrants come from Kumamoto or Hiroshima, and speak a patois which is absolutely unintelligible to the people of Tokyo, or indeed to any one who knows only the true speech of Japan. Even we are wholly at a loss to understand what such people say. In Hawaii, on landing, all these emigrants are put in one room and there interrogated through the agency of one interpreter. Is it credible that, under such circumstances, a faithful English interpretation of the emigrants' provincial dialect is obtainable ?

4. In conclusion, it would appear, from the queries put us as well as from the tone of your latest letter, that doubt and suspicion are being cast on the laborers of the Emigration Companies of Japan, with a view of stopping the further departure of emigrants to Hawaiian Territory. Let us add that we are only too willing to accede to such a proposal if in accordance with the views of the Imperial Government authorities, if so far as Hawaii is concerned, at any time whatever. Whether this will or will not interfere with the continued prosperity of Hawaii is a question which we shall gladly leave the U. S. authorities to solve.

We remain etc.

Emigration Companies' Association of Japan

per Terutake Hinata, President.

DIPLOMATIC BUREAU

Confirm.

DIPLOMATIC DEC 2 1903 BUREAU

DEPT OF STATE DEC 2 1903 2ND ASST SECRETARY

TELEGRAM RECEIVED IN CIPHER.

3 CBKA.KQ. 24 U.S.G. via Pac From TOKIO,

SECSTATE, Washington. REC'D. DEC 1903 3 DEPT. OF STATE

(Received 11:30 p.m., November 28, 1903.)

Grand Vizier of Persia is expected here from India at some future date, but his arrival here is not yet reported.

Griscom.

DEPARTMENT OF STATE

NOV 29 11 01 AM 1903

CHIEF CLERK'S OFFICE RECEIVED

INDEX BUREAU DEC 5 1903 FILED

Form No. 202.

TELEGRAM RECEIVED IN CIPHER.

DIPLOMATIC
DEC 2 1903
BUREAU

DEPT OF STATE
DEC
2
1903
2ND ASST SECRETARY

DIPLOMATIC BUREAU

[Has been communicated to the interested parties.]

Confirm.

TOKIO,

November 28, 1903,

Received 10 a. m.

Secretary of State,

Washington.

Referring to your telegram of the 20th in relation to tobacco monopoly, I have made representations to the Minister for Foreign Affairs in compliance with your instructions. He replied that proposed measure, having been absolutely decided upon by the Government and received approval of the Emperor, will be proposed to the Diet without any change. There it will be subjected to full discussion and possible amendment. He replied to my arguments about increased compensation that the Diet must decide such matters. I am cooperating with British Minister, but see no probability that our representations will bring about change in the proposed measure.

GRISCOM.

INDEX BUREAU
DEC 8 1903
FILED

Deciphered by C.C's Office,

November 28, 1903. 10:30

UNITED STATES LEGATION.
TOKIO.

DIPLOMATIC BUREAU
JAN 11 1904

CHIEF CLERK,
DEC 31 1903
Department of State.

No.

November 30, 1903.

INDEX BUREAU
RECEIVED
DEC 30 1903
DEPT. OF STATE

ASSISTANT SECRETARY,
JAN 9 1904

Jan. 16 C.

Mr. Griscom

to the Secretary of State.

Subject:

Grand Vizier of Persia.

INDEX BUREAU
JAN 21 1904
FILED

UNITED STATES LEGATION.
TOKIO.

No. ~ .

November 30, 1903.

To the Honorable John Hay,

Secretary of State,

Washington.

Sir:

I have the honor to acknowledge the receipt of the Department's telegram of the 28 ultimo reading as follows:

"Griscom, Minister, Tokio.

"When did Grand Vizier of Persia leave Yokohama for America "and by what steamer?

"Loomis."

and to confirm my reply as follows:

Tokio, November 29.

"Secstate, Washington.

"Grand Vizier of Persia is expected here from India at some "future date but his arrival here is not yet reported.

"Griscom."

It has been known in Japan for some weeks past that the ex-Grand Vizier of Persia is on his way here from India, but according to the best information obtainable he is now in China.

The Ata Beg Azam is a personal friend who showed me many kindnesses both official and personal during my mission to Persia. I am therefore awaiting with pleasure his coming and should he go the United States I bespeak from our Government such courtesies as it may be possible to show him. He has always been very friendly to American interests and during his tenure of office he has shown this in many ways. His power in Persia was almost absolute. Although he has now been deprived of his office, yet the possibility of his return is very great. In the event of his sailing from Japan for the United States I will inform the Department by telegraph.

I have the honor to be,

Sir,

Your obedient servant,

Lloyd Griscom